CENTRAL SERVICES TO LOCAL AUTHORITIES

A Study

prepared by Dr. W. Hoven and Mrs. A. van den Elshout, Master of Laws, on behalf of the International Union of Local Authorities for the United Nations

Parts I, II and III

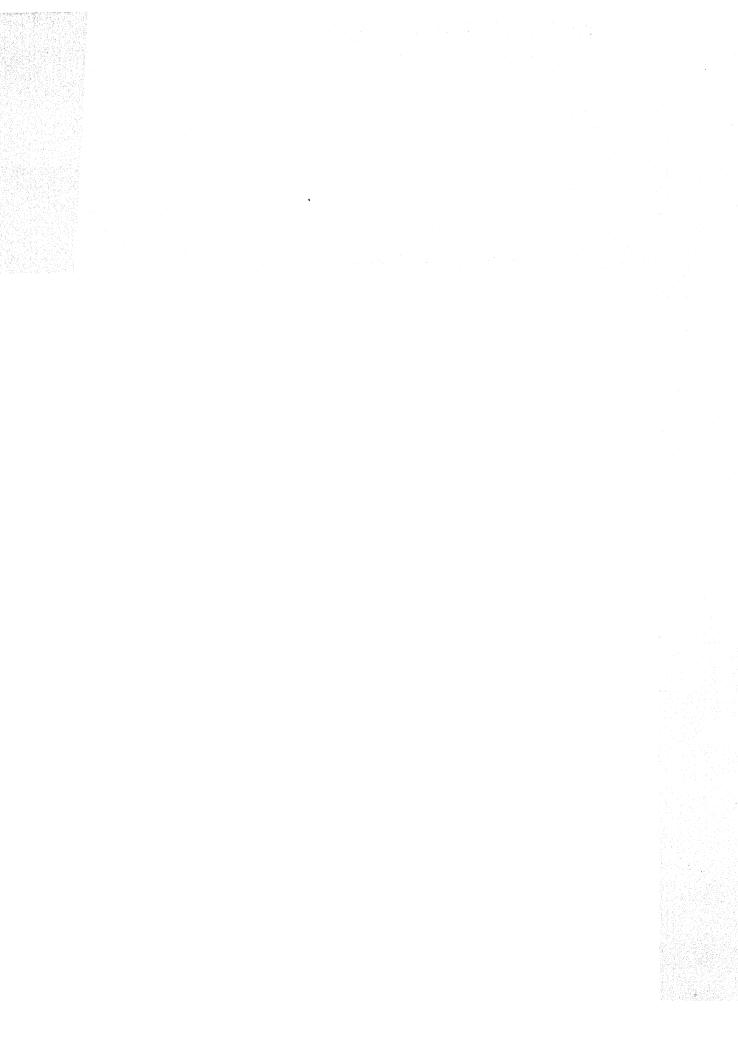
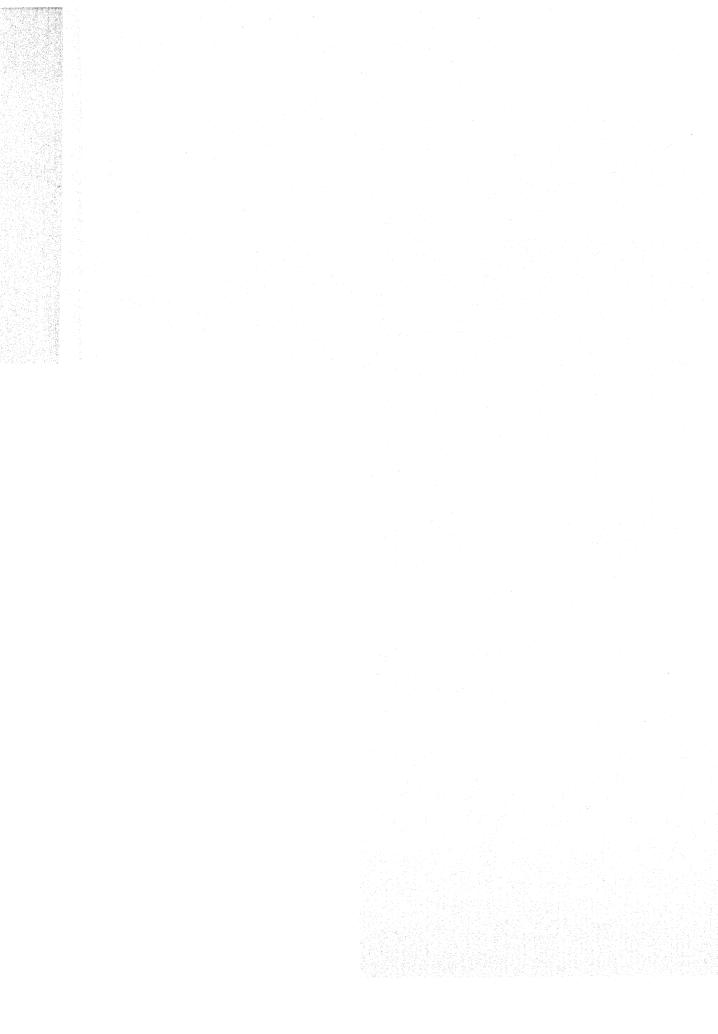


TABLE OF CONTENTS

Study on Central Government Services to Local Authorities

	FORE	EWOR:	D	page. I
Part I:	APPF	OACI	H AND GENERAL ASPECTS OF THE STUDY	
	Ch. Ch. Ch. Ch. Ch.	I: III: IV: V: VI:	Introduction Central-local government relations Relationship of political institutions and the total setting General aspects of local government Local government in developing countries Effects of the welfare state on local govern-	1 2 7 13 19
Part II :	CFNT	ד ∆ כפוי	ment SERVICES RENDERED TO LOCAL AUTHORI	23
rait II.	CHILI	NAL	SERVICES RENDERED TO LOCAL AUTHORI	LIEO
	Ch.	I:	Concept central services, its origin, aim	0.0
	Ch.	II:	and purpose Stimulating consciousness and awareness	26
	Ch.	TTT .	of local government rôle	31
	Cn.	III :	Framing local government and defining its powers and functions	32
	Ch.	IV:	Legal and administrative provisions to	
	Ch.	V :	strengthen local government Central agency dealing with local govern-	44
	Ch.	VI:	ment Other ministries dealing with local govern-	50
	Ch.	VII:	ment Central assistance in the field of local gov-	66
			ernment finance	69
	Ch. V	III:	Central assistance in the field of local government personnel	88
	Ch.	IX ;	Central assistance in the field of socio-	
	Ch.	x :	economics Central assistance concerning legal prob-	110
			lems	129
	Ch.	XI:	Central assistance in the field of purchasing	133
	Ch.	XII:	Central assistance in the field of program-	
	Ch. X	III :	me improvement Supervision and control	137 139
Part III :			CIFIC INSTITUTIONS RENDERING SERVICES THORITIES	10
	Ch.	Ι:	National associations of local authorities	
			(+ annexes)	153
	Ch.	II:	Municipal Credit Banks	182



FOREWORD

In 1958, the International Union of Local Authorities was invited by the Division for Public Administration of the United Nations to undertake a study on the relations between central and local governments. After a discussion of the proposed content of the study with Mr. F. Tickner, then Acting Director of the Public Administration Division, and Mr. Emil J. Sady, Chief of the Local Government Section of the Public Administration Division, the theme "Central Services to Local Authorities" was decided upon. The aim of the study was described in the following words:

"The study would aim to describe various distinctive systems of central-local government relations, to define common problems of local governments and to analyse the services rendered to local governments under each system by higher levels of government, and by national associations of local bodies and research institutions. The study would try to offer conclusions about methods of increasing the capability of local government to render effective services in rural as well as urban areas."

IULA was indeed fortunate in being able to call upon Dr. W. Hoven, former Director of the Interior in the former Netherlands East Indies, to take charge of the study. He has been assisted by Mrs. A van den Elshout-Adema van Scheltema, Master of Laws, Leyden and Harvard University, and, in the first year, by Mr. A. F. Leemans, Master of Laws, who was, at that time, working at the IULA Secretariat. The thanks of the International Union of Local Authorities go in the first place, therefore, to Dr. Hoven and Mrs. van den Elshout who have brought to the composition of this study a wealth of skill and experience, and have worked long and untiringly to bring their task to a successful conclusion. We are also most grateful to Mr. Leemans who also assisted with the project and did valuable work in helping to get the study through the difficult preparatory stage. It was difficult in the first place to obtain all the necessary information about the different countries; the IULA library was used as a primary source of reference, but application had also to be made to many countries for a great deal of the required data. A further difficulty lay in defining the precise scope of the study and deciding what exactly its content should be - a difficulty to which reference is made in the study itself.

It proved necessary, moreover, to visit a number of countries, namely those countries to which a "country report" has been devoted. Unfortunately, it was not possible to visit Brazil but a large part of the Brazil report has been written by an expert belonging to that country, Dr. D. Lordello de Mello, Director of the Instituto Brasileiro de Administração Municipal in Rio de Janeiro, to whom we are most grateful for his contribution.

Nor is the country report on Ghana the result of a visit to that country but owes its existence to the kind collaboration of experts resident in Ghana. 1)

The other countries that form the subject of country reports have all been visited by one of those engaged in the writing of this study. Dr. Hoven visited Ceylon and Japan, and Mrs. van den Elshout visited Israel. Together they visited Yugoslavia. In each of these countries every possible co-operation was given and every effort was made to provide the required information.

¹⁾ The country report on Ghana will appear as a supplement to this publication.

In Ceylon the initial contacts were made by Mr.S. W. Goonewardene, Assistant-Commissioner of Local Government at the Headquarters in Colombo, who also arranged Dr. Hoven's itinerary. Mr. V. C. Jayasuriya, Permanent Secretary at the Ministry of Housing and Local Government, Mr. W. D. Mahatantilo, Commissioner of Local Government and his competent staff, and Mr. E. F. Dias Abeyesinghe, former Secretary to the Commission for the Report on Local Government, currently Commissioner of Elections, were always most willing to help in answering questions.

The Tokyo Institute for Municipal Research with its enthusiastic directorate - and special mention should be made here of Mr. K. Onogi and his helpful secretary Mr. Teruyasu Hirahata - did everything within its power to make the study-tour of Japan as fruitful as possible both by preparing answers to a special questionnaire and by arranging numerous visits to officials and national assemblies of chairmen of various prefectural,

city, town, and village assemblies, etc.

The Ministry of Autonomy was particularly helpful by releasing one of its senior officers, Mr. Michio Yanagi to act as Dr. Hoven's informant and

interpreter on his journey to Osaka and Kyoto.

The study tour of Israel was made in 1961, at the same time as the XVth International Congress of Local Authorities was held in Tel-Aviv. A splendid opportunity was thus afforded for informal talks with numerous government officials and mayors, thanks especially to the kind co-operation of Mr. Y. Shvo, former Director General of the Ministry of the Interior. Special thanks are also due to the Union of Local Authorities in Israel which, despite the heavy pressure of work entailed in the organization of the Congress, were most helpful in arranging various contacts and visits. Valuable assistance was given by Mr. Hochstein, Legal Advisor to the Union of Local Authorities who made his inedited monograph on local government in Israel available to Mrs. van den Elshout.

Special thanks also go to Dr. Y. Dror of the Hebrew University for his helpful suggestions, his reference to various publications, among which several excellent ones of his own, and his aid in arranging valuable contacts both before and during Mrs. van den Elshout's visit to Israel. Dr. E. E. Gutmann of the Hebrew University also gave generously of his time to discuss local government problems and was kind enough to make available his, then unpublished, thesis on the Development of Local Government in Palestine

The kind and enthusiastic co-operation of the Ministry of the Interior, especially that of the Local Government Department, deserves special mention. Of this department Mr. J. Av-Razy, Mr. Y. Gevirtz, Mr. S. Rotem, and Mrs. R. Neeman were particularly helpful, Mr. Gevirtz making available an inedited monogram on local government which was later published under the title of Rural Local Government in Israel for the International Seminar for Local Government Administration in 1962. Thanks are due also to Dr. A. Blum of the Office of the State Comptroller.

The warm welcome and valuable assistance afforded by the Standing Conference of Towns of Yugoslavia on the occasion of the study team's visit to that country is also recalled with much gratitude. The entire staff, headed by the Secretary General Mr. Miladin Sakić, were most co-operative in providing exhaustive information for a questionnaire that had previously been sent them, and in arranging meetings with various Local Government officials in different parts of the country.

It was consequently possible within a relatively short time, to form a general impression of the interesting developments taking place in Yugo-slavia's local government system. Last but not least, a considerable debt of gratitude is owed to Dr. A. Vratusã, Under-Secretary of the Federal Exe-

cutive Assembly in Belgrade, who greatly contributed to the success of the

visit to Yugoslavia.

It was a particularly fortunate circumstance that the U. N. Working Group on Decentralization for National Development - in which Dr. Hoven took part - should be held in Geneva in October, 1961. This meeting provided an excellent opportunity for making contact with various experts in the special sphere of decentralization problems and for utilizing the abundant valuable material available on that occasion. Warm thanks are specially due to Mr. J. M. Beckly of Western Nigeria who furnished answers to a questionnaire on Central Services to Local Government.

It is impossible within the scope of this general preface to mention the names of all those persons who, each within the sphere of his own work, made an important contribution to this study by furnishing information and answering the many and various questions that were put to them. To all those not explicitly mentioned earlier, the authors would here offer their warmest thanks.

In conclusion, it should here be mentioned that Chapter II of Part III on Municipal Credit Banks was compiled for us by the International Information Centre for Local Credit whose headquarters are situated in The Hague. For this important contribution we are most grateful to this institution in the persons of Mr.A. Vogel, General Secretary, who is also Director of the Bank voor Nederlandsche Gemeenten, and his assistant, Mr. W. Griffioen.

The first chapter of Part II, dealing with National Associations of Local

Authorities, was compiled by the IULA Secretariat.

* * *

The study of the subject Central Services to Local Authorities has not come to an end with the publication of the present work. This report, which is offered to the Division for Public Administration of the United Nations as the fruit of three and a half years' study, will be used by the United Nations as a working document for a number of seminars to be held in different parts of the world. We are confident that the result of these seminars will constitute a further valuable contribution to the study of the subject: Central Services to Local Governments.

International Union of Local Authorities

N. Arkema H. J. D. Revers Secretaries-General

Ch.

APPROACH AND GENERAL ASPECTS OF THE STUDY

Part I

Introduction

1. The relationship between central and local government is a matter of increasing concern in numerous countries. This is true for countries in Europe and America as well as for many Asian and African countries, which acquired their independence in recent years. In the highly developed countries there is a strong feeling that the interests of the local and the national governments are becoming so narrowly interrelated that a high degree of co-ordination and co-operation is required. For several reasons many activities, which used to be purely local ones, have nowadays to be planned and decided upon at the national level. Consequently at present many activities are carried out by the local governments more or less as agents of the State. Thus the field of local governmental activity which was considered local autonomy diminished.

There is, therefore, a tendency no longer to consider the central-local relationship from the antithetic angle of local autonomy versus central powers, but rather from the angle of how the interest of the citizens can best be served by central and local government jointly. This gave rise to the theory that the local-central government relationship should be considered as one of partner-ship and co-operation aiming at securing the best possible and most efficient service for the people.

2. Most countries in Asia. Africa and Latin America are faced with a different situation. Here strongly centralized government is the rule; the powers and tasks of local governments are limited. Besides, many Asian and African countries have recently acquired independence and are consequently faced with the problem of establishing their governmental structure - down to the local level - or to adapting it to the changed conditions. Several of these countries are confronted with the problem of how the structure of local government and its relationship with the central government should be, and how a well-equipped and efficient local government could be established.

Ch. II. Central-local government relations

- 1. In discussing central-local relationships two divergent points of view can be taken, i.e. a local government-centered and a service-centered one. These views place different emphasis and priorities on the evaluation of various kinds of alternatives in central-local relationships. 1)
- 2. The local government-centered approach emphasized the general democratic values that can be realized through vital local institutions. This general viewpoint was expressed succinctly in the First Report of the Local Government Manpower Committee in 1949, which has been accepted as policy by successive governments of the United Kingdom:

"To recognize that the local authorities are responsible bodies competent to discharge their own functions and that, though they may be statutory bodies through which Government policy is given effect and operate to a large extent with Government money, they exercise their responsibilities in their own rights, not ordinarily as agents of Government Departments. It follows that the objective should be to leave as much as possible of the detailed management of a scheme or service to the local authority and to concentrate the Department's control at the key points where it can most effectively discharge its responsibilities for Government policy and financial administration." 2)

The service-centered approach to local government views the local authori- $\overline{ ext{ties}}$ as essentially agencies for providing necessary public services. The adequacy of local government, therefore, can be measured by the standards of effectiveness and economy that are attained by local authorities in public health, education, agricultural improvement and other functions assigned to them. From this viewpoint, central policies towards local authorities should be designed and implemented with the prime concern that public services will be provided in the most effective possible manner. This may imply extensive central control over local government. The adjustment process in local government is directed primarily to providing services more effectively, without a corresponding concern for advancing responsible local government and enhancing its democratic values. The piecemeal creation of a new district or board to meet each new need encountered generally attests to this emphasis, as does the corresponding reduction of significant responsibilities assigned to the local authorities. In their proper concern for assuring minimum standards of local services, the central governments in some cases have chosen the course of combining financial contributions with greater control over the performance of local government. In others they have taken over functions and provided services directly. The general result of the adjustment process is to dilute local government, limit its responsibility and reduce its significance as a democratic structure.

Trying to find an alternative to this piecemeal approach, with its emphasis on services, does not necessarily imply less concern with the quality or quantity of local services. Rather, it implies an attempt to solve the problem

¹⁾ Cf. Provincial-local administrative relations, a technical reference document to the Regional Local Government in Saskatchewan, March 1,1961, p. 1, 2.

²⁾ Cmd. 7370 as quoted ibid., p. 1.

of effective services through adapting and strengthening the local government institutions so that they will have the structure, resources and responsibilities both to meet the needs for local services and to fulfill their democratic function. 1)

- 4. The fact that the above mentioned trend is encountered in most developed countries while there is no reason to believe that it will halt or reverse of its own volition, renders it advisable that central governments and other institutions propose changes and take steps to achieve a balance between local government-centered and the service-centered attitudes toward local government. In these countries this will come down to measures aiming to increase the capability of local authorities to provide services effectively, to extend local autonomy, to restore local responsibilities, and to create a framework of central-local relations which will promote decentralization while protecting the central government's legitimate interest in the performance of local government.
- Taken together it seems correct to state that it is difficult to make a fixed division of responsibilities between central and local governments. The central government usually has constitutionally ultimate responsibility for the performance of local government. It is concerned that there be universal access to certain basic public services of uniform minimum standard. But within these and other necessary limitations on the freedom of local governments, there is ample room for developing a much greater sphere of local discretionary action. The key seems to be the working relationships between the two levels of government. There must be a shared objective of decentralization. To implement this objective there must be a set of working relationships whereby, as the competence of local government increases, a progressively greater measure of responsibility is shifted to the local jurisdiction. On the side of the central government, this implies increased emphasis on research, on advisory and consultative service, on technical assistance and on in-service training programmes. On the side of the local government it implies a genuine concern with improving local government processes and procedures to the end that decisions can be made and implemented on a sound basis.
- 6. In developing countries the situation is different. In these countries the central governments have to play and are in fact playing an important rôle in providing the necessary basis and essential requirements for local government. This may imply adapting the existing native communities to modern needs or establishing new local authorities.

Since the importance of local government is generally recognized - an importance which varies from being considered a vital element in democratic society to a mere "tool or piece of machinery for getting a number of things done" - there is a growing interest for the question of the rendering of services by the central government to the local authorities in order to invigorate and stimulate them and to improve local administration.

7. When considering more closely the concept of services rendered by the central government to local government, it seems that the relations between

¹⁾ Local Government in Saskatchewan, March 1,1961, p. 11, 12.

central and local government have changed much since the days of the old anti-thesis central-local government and the resulting struggle between these two alleged antipodes, still arduously defended by those who strictly adhere to the concept of local autonomy, considering every interference of the central government as an encroachment on local autonomy. The concept of central services to local government is narrowly interrelated with the degree of centralization or decentralization of the government system. Decentralization to a certain extent has to be present, since the concept of central services seems contrary to the point of view that the local authority is a mere administrative unit, an agent, of the central government. Within the context of a highly centralized governmental system the central government is more concerned with supervision and control of the local authorities and is less troubled about its "educative mission" towards local government. In this case the local units are highly dependent upon the various national agencies for technical and other assistance, while the aim and purpose of this assistance is different. It has become apparent that in the recently established countries out of necessity has grown the concept that the central government which has only just established itself should devote attention to the creation and strengthening of the local authorities, especially if it desires to bring about participation of the people, laying the foundations for a democratic system. This is true for those countries which have come to realize that local government has a direct and profound effect on the efficacy, inherent soundness and strength of the democratic system of government. These countries have experienced that local government can fulfill many responsibilities which would otherwise rest completely with the central government, which remains, however, an impossible task.

The central government in these newly developing countries is concerned to create and to maintain a sense or feeling of national unity, a process with which local authorities could assist. For these countries the "grass root" theory of local government, i.e. that people learn the operation and working of a democratically oriented system of government in the small communities is even more true than for older established countries. There can be no doubt that in the new countries the people who are taking part in central government, whether as legislators or officials, are at an advantage in their work if they have previously served in local government over those who did not have such an experience. They are more able to understand the intricacies of public finance and government procedure generally and they are more capable to present and debate the needs of the people they represent. Local government may also provide a useful outlet for the political energies of some people, who would otherwise concentrate on central government. Local government provides a way in which political power can be dispersed, which is an important element of the democratic system. It is self-evident that effective local authorities provide some solution to the continuing necessity of keeping governments responsible to those they govern, since the units are smaller and less specialized in function than the central government. Local government provides an opportunity for widespread participation in public life. Also local government contributes to the effectiveness of central governments by freeing them from the necessity of deciding many matters of immediate concern to the individual communities only. 1) Local government

1) This has been illustrated by the Director of Local Government Affairs in Newfoundland, who has argued forcefully that the absence of a well-developed system of municipal institutions prior to 1949, contributes to the failure of the colonial government; members of the Legislature were so busy lobbying for the interests of their constituents that they gave little attention to the broader problems of the island. "Problems arising from lack of organized municipalities in Newfoundland", proceedings of the first annual conference of the Institute of Public Administration of Canada (1949), p. 180.

also provides a method to take into account the traditions, prejudices, interests and problems peculiar to particular areas. In this way a useful counterweight is brought about to offset the pressures and circumstances making for uniformity. Finally, it may be emphasized that local government ordinarily does not experience some of the administrative problems and influences inherent in large organizations. Centralization of power does not always lead to efficiency in the carrying out of particular functions. There are administrative problems which seem to be inherent in large organizations, problems of distance between field staff and their supervisors, problems of complex accounting and other administrative procedures, problems of specialization and co-ordination. Local governments are free from much of the inflexibility inherent in large organizations and in some circumstances are thus more efficient.

It is apparent from the foregoing that it is vitally important for the central governments of the developing countries to direct attention to the functioning of the local authorities and to educate them in the operation of certain services to provide for participation by as many people as possible in the various development schemes. When the local authorities have reached a certain degree of development, the central government should maintain a certain balance of growth among the local units and keep an eye on their operation, concern themselves with their financial position, etc.

- 9. Therefore, in the developing countries there is a definite need not to adhere to a theory of contrasting central and local government concepts, but to consider the central-local government relations more on a basis of co-operation and partnership, may be even as a paternalistic relationship. The co-operation can be effectuated both in the administrative relationships, but also on the policy level. A co-operative approach to local governmental problems may work very effectively. The rôle of the central government in this respect seems to be to strengthen, invigorate and guide the local authorities in fields such as personnel, finance, purchasing and storing supplies, planning for urban growth, rural development, land use, etc., programme improvement, legal advice, co-ordination among local units, and generally in the field of local government administration, i.e. central services to assist in the various functions performed by local government, such as public works, public safety, health and welfare, education.
- 10. Not only central governments can render services to local governments in the various spheres indicated above. Also other institutions, such as national and international local government associations, institutes of public (or local) administration and Universities have proved to be of great practical value. Besides, in countries with a federal structure of government the provinces or states as well as the federal government may provide various kinds of assistance. It is self-evident that all these institutions only have real significance in those countries where local government has already reached a certain level of development.
- 11. A study of the efforts of central governments and national local government associations or other institutes in different countries to assist local government in properly carrying out their functions is therefore of importance, in particular for those countries where central governments are actively interested in developing local government and where local governments are taking a pride in developing themselves.

Central-local government relations are the background and the basis of the whole problem of central governments rendering services to local authorities. Knowledge of and insight into these relations are absolutely necessary in order to be able to better evaluate whether the services of the central governments to the local authorities are provided in the right amount and are of the right kind to help the local authorities, while still preserving and possibly even strengthening their autonomous position.

Ch. III. Relationship of political institutions and the total setting

1. If one considers and evaluates the different types and the various stages of development of central-local relations which might provide guidance for underdeveloped countries, it will be necessary to resist the temptation to take as a logical starting-point and example, the situation and conditions in the older democratic countries, where local government has already experienced a long and difficult period of development and has more or less completely adapted itself to the modern economic and social situation. For in that case the assumption - consciously or unconsciously - is that all societies are passing through approximately the same stages of development. Against this claim a warning has rightly been issued.

"Those who made it their programme "to make the world safe for democracy" assumed that democracy in the British, French and American sense of the word was in itself not only a "higher stage of development than feudalism or autocracy but also a stage which in the normal run of things should be reached sooner or later by all peoples on earth". Attitudes of this type are now becoming less and less common.

Even with regard to the highly developed areas in the West, it is more and more generally accepted that we have to take into account the context, that is, deal not only with particular institutions, but also with the total character of the society in which the institution is placed and that the same institution does not necessarily mean the same thing in a different context. " 1)

A similar thought is expressed in a study on local government in Great Britain:

"Whatever attempts are made to define local government ultimately we must recognize that its sphere, and even meaning of the term in England, are not to be discovered by any a priori definition. Rather the true method of approach to any understanding of the English system of local government is by way of its history." 2)

- 2. It should be emphasized here that besides history, also cultural, sociological, anthropological and economic factors render a specific character to local government in any given country. The importance of the economic factor may, for instance, be illustrated by a comparison of the situation in India and Burma with that prevailing in Great Britain. British local government has been fortunate in developing in an expanding economy. National wealth has kept pace with the growing consciousness of social needs. This buoyancy
- 1) Gunnar Heckscher, The Study of Comparative Government and Politics (1957), p. 47, 48. Compare Sir George B. Sansom, The Western world and Japan, who states that in the practice of politics in Japan the course of events was governed not by theory but by the exigencies of a unique domestic situation (p. 350). Even though ideas were given European labals such as "liberal", "progressive" or "conservative", these words cannot be interpreted in their usual occidental meaning. They have always had their peculiar Japanese connotations. Indeed, words as "democratic", "parliamentary", etc., are likely to mean one thing in the West, another in the Orient.
- 2) W.O. Hart, Introduction to the Law of Local Government and Administration (1957), p. 8.

in the British national income which permitted a rapid expansion of public services, had no parrallel in e.g. India and Burma. Although these countries showed a rise in their national income, the increase was absorbed by a simultaneous rise in population, creating even bigger problems for local authorities.

To place western experience in local government in the foreground also has other drawbacks. Such an approach induces one involuntarily to follow too closely western examples, causing a tendency to impose on other lands and peoples laws - and the institutions and concepts based on them - which are foreign to those countries and peoples. The elaborate study by Hugh Tinker contains interesting comments on the transplanting of the British local government system to the East. The author shows with a series of examples that the British were certainly not slow in endowing their Indian territories with self-governing institutions. However, he stated that in the building up of local bodies, thereby introducing an entirely alien and unknown political technique, almost no concession was made to native ways of thinking. 1)

Since "it was anticipated that artificially imposed boards and committees would develop as organic institutions", disillusionment followed unavoidably. It has been experienced that "custom and tradition full of meaning and importance in the world of Hinduism, Buddhism and Islam, become irrelevant or even obstructive in the new world of Western political thought and technical invention." 2)

Enumerating the causes of the failure of the previous system of local government in Pakistan, also Masud-Ul-Hasan mentions that the system introduced by the British was exotic and that it did not suit the genius and espirations of the people. 3)

3. As far as Africa is concerned, some people are doubtful as to whether the reforms in that continent did not actually borrow too much of the British practice at the expense of some important local essentials, stressing that many would have liked to see the system of local government made a little more <u>local</u>, by taking into account historical facts, local circumstances,

¹⁾ Hugh Tinker, The Foundations of Local Self-Government in India, Pakistan and Burma (London, 1954), p. 343.

²⁾ Op. cit., p. 9. In a similar spirit Furnival: "In territories subject to the British Crown, it is only natural that authorities attempting the problem of designing machinery for self-government should have taken English institutions as their model; they have tried to reproduce, as closely as seemed expedient or possible, the form of the machinery without sufficient regard for differences in the environment and in the functions which it is intended to perform", The Governance of Modern Burma (New York, 1958), p. 1. In his opinion, this is one of the reasons why such experiments have often failed to yield satisfactory results.

³⁾ Masud-Ul-Hasan, Law and Principles of Basic Democracies (Lahore, 1960), p. 35.

and local administrative needs - things which were completely unknown to

British people and, therefore, could not affect their system. 1)

Not without reason the 1960 report on "Public Administration Aspects of Community Development Programmes" contains the observation that local government systems differ among developed countries and must be substantially modified if they are to be applied at all in developing countries; new concepts and new systems, adapted to the circumstances in these countries, are likely to be required. 2)

It should be realized that what has developed gradually in the West, more or less in step with the development of the people, cannot be transplanted arbitrarily into another traditional, emotional and intellectual

Finally can be quoted with approval what Robert A. Dahl wrote in 1947, regarding the rôle of comparative studies in the development of a universal science of administration:

"..... we cannot afford to ignore the relationship between public

administration and social setting.

No anthropologist would suggest that a social principle drawn from one distinct culture is likely to be transmitted unchanged to another culture few political scientists would contend that a principle of political organization drawn from one nation could be adapted with equal success by another: one would scarcely argue that federalism has everywhere the same utility or that the unitary state would be equally viable in Britain and the United States or that the American presidential system would operate unchanged in France or in Germany. There should be no reason for supposing then, that a principle of public administration has equal validity in every nation-state, or that successful public administration practices in one country will necessarily prove successful in a different social, economic and political environment '' 3)

The moral of this is that it is not possible to import a political institution in the same way as, for example, a motorcar. A car can be set down on the quay at Mombasa and driven away, working exactly as it worked in Great Britain. This is not true of a Parliament or a local council, because they depend not on oil and petrol, which are uniform all over the world, but on human beings who work differently in every country. 4)

¹⁾ N. U. Akpan, Epitaph to Indirect Rule, a Discourse on Local Government in Africa (London, 1956), p. 15, 16. Narain also expresses a warning against borrowing the administrative structure, devices and mechanisms of differently situated and more developed countries and applying them to underdeveloped areas. He stresses that "the ideal should be selective borrowing and not blind borrowing and the criterion of selection should be its suitability to the people (both the administrative personnel and the common men), their genius and resources and the exigencies of time and place". (Iqbal Narain, "The Indian Journal of Public Administration": A fundamental approach to the administration of the rural community development programme; July-Sept. 1959. Vol. V. No. 3, p. 284).

²⁾ p. 62.

³⁾ Quoted in the article by William I. Siffin: Toward the Comparative Study of Public Administration, a publication from the Department of Government. Indiana University, 1957, p. 3.

⁴⁾ Ronald E. Wraith, East African Citizen, London (1959), p. 159.

In other words, it is stated that it has been much easier for non-Western people to acquire technology, than Western political and social beliefs and institutions. It should be emphasized, however, that technology is not a disembodied abstraction; it grows out of cultural and historical traditions and demands cultural and social foundation. Technology cannot, therefore, simply be imposed on every culture. It should not be forgotten that the Western people have had a long time to get used to the growth of technology, while the developing countries are suddenly confronted with the problems. 1)

4. This does not imply that in this study no attention will be paid to the experience gained in western countries in the area of local government. The very fact that different areas - on account of various circumstances - have undergone to a greater or lesser degree, for a long or short period of time, western influence, necessitates a consideration of the phenomena and developments of the so-called "developed" countries.

It may be illustrative to quote in this connection the words of a member of the Special Commission for Municipal and Regional Affairs of the Council of Europe:

"Today Europe contains an endless variety of local government forms, as well as every degree of power distribution as between the central and local administrations. This diversity of form has the great advantage that we as a group of nations have a wealth of differing experience and of experimental achievement, which we could not have hoped to obtain if our practices had been more uniform. As a result, almost all of us have something drawn from our experience to teach our neighbour states: and all of us without exception still have much to learn from the differing experience of our neighbours." 2)

Pointing out that the promotion of international contacts in the field of local government may enable all countries to benefit by the immense and diverse treasury of European experience, the following warning is given:

"In this process I am sure that we should never merely copy one another; rather ought we to make a judicious selection from the experience of our neighbours to enable us to strengthen and enrich the systems of our local government which each of us has evolved over the years to suit our particular national circumstances." 3)

5. The starting point of many comparative political science studies has been traditionally an approach, in which the emphasis is laid primarily on formal institutions and official, prescribed relationships and rules. This method of approach is primarily "legalistic and formalistic limiting itself to examination of documentation often of the formal, static aspect of governmental institutions, unduly neglecting informal arrangements and, indeed, the whole political-social-economic-cultural context of laws and formal institutions" 4) and is, therefore, no longer followed.

¹⁾ Cf. Peter F. Drucker, The landmarks of tomorrow, London, 1959, p. 181, 187, 188.

²⁾ Peter Smithers, The international contacts of municipalities, Local Authorities and Europe, a IULA publication of 1955, p. 36.

³⁾ Ibid., p. 37.

⁴⁾ Dwight Waldo, quoted in the above mentioned article by William J. Siffin, p. 2.

In this study, therefore, it will be attempted to take into account as much as possible the broad structure, the social setting, and the culture of the country concerned. This approach has been very successfully applied by Mosel, who clearly demonstrated how a formal structure of government and administration, exhibiting close similarities with the West, may acquire a quite different significance and value when the existing social, political and economic environment is taken into consideration. 1)

This is also illustrated by Heady, who states that "unfortunately, it is not the formal pattern of organization which provides an understanding of administrative activity in the Philippines". A plea is made that habits of administrative behaviour which are rooted in Philippine history and cul-

ture should be considered. 2)

The great difficulty is, however, to obtain reliable information about the environment in which administration takes place and about the informal aspects of administrative behaviour.

<u>6</u>. In this study countries will be considered with different environmental situations representing different types of central-local relations, which have reached different stages of development and whose experience is most likely to provide guidance for underdeveloped countries, desiring to create or strengthen local government and to improve local administration.

In this connection it may seem more adequate and valuable to consider the situation and developments in the field of local government of a number of "new" countries, as it is highly probable that the developing countries find it easier to comprehend the problems and situations presenting themselves in these "new" countries and to compare them with those existing in their own than to understand and evaluate the complex situations in the older democratic countries.

These new countries have a factor in common, i.e. that local bodies are instituted from "above", in contrast with the situation in many older democratic countries, in which these institutions historically devolved gradually from "below", while the central government only developed afterwards and is, therefore, of a later date.

7. Consider for instance the development in Great Britain, where "the shape of English democracy was forged in the first instance in the English country-side" 3) and where it was the village to which British local government owes its original strong foundation. British historical experience undoubtedly indicates that the modern democratic system matured gradually from the local scene to the national level. The history of local administration in France and other continental countries, on the other hand, emphasizes the

¹⁾ James N. Mosel, Thai Administrative Behaviour, in: Toward the Comparative Study of Public Administration, 1957.

²⁾ Ferrel Heady, The Philippine Administrative System, op.cit., p.263. Cf. Sansom when he states that the more one studies the background of early Meiji history, the more one is convinced that a perusal of its public documents alone may give a wrong impression. In his opinion Western writers on Japan have so far not gone into these questions very thoroughly; there is a tendency to rely upon the texts of laws and proclamations without knowledge of the circumstances in which they were drawn and the mind of their authors (p. 374).

³⁾ Rita Hinden, Local Government and the Colonies (1950), p. 17.

need to consolidate the nation-state, which led to the abolition of the remnants of feudal society by wiping out the vestiges of independent power in the provinces, whether of feudal lords or semi-independent cities. British experience stresses that local government was instituted to solve the problems of the local community, as the community appraised them; the French, on the other hand, emphasize that the whole structure of local administration is nothing but a tool for the administration of the affairs of the state in their local application. Both assert that increasing uniformity should prevail in the application of national standards of performance throughout the land, but while the British hold that the local people should suffer from their own mistakes which they are free to make, the French seem less concerned about the possibility of divergence of local action. The British hold that the small communities are "the tiny fountainheads of democracy" that it is at the local community that the citizen goes to school to acquire the habits of independent democratic action, and that local government units are the best guarantee for the success of democracy. 1)

In addition, the local reforms were of more longevity and of more solid achievement when brought about through pressure from below rather than when dictated from above. In other words, popular interest and popular control whatever their extend and efficiency at first, were to a large measure the determining factors in the establishment of the modern British systems of local government. 2)

On the other hand, there has been in France much less pressure from below, that is, from the local scene, to democratize local government. This has led to a much fuller integration of national and local government administratively as well as politically, and has largely obviated the antagonism between the two. But this was achieved mainly through the domination by the central government of the entire machinery of local administration

Ch. I

¹⁾ Viscount Bryce, Modern Democracies, New York, 1921, I. 129-133, 320.

²⁾ Paternalism in local government in the nineteenth century, Public Administration, London, XXXIII (Winter 1955).

V. General aspects of local government

1. As is true for so many concepts one cannot say without some reservation what should be understood by the term local government. In England, the very term "Local Government" seems to have been adopted into common usage only shortly before the appointment of the Royal Commission on Sanitary Laws in 1868, and the title of the resultant Local Government Board of 1871, apparently was the first use of the experession in a legal document.

At present it is generally accepted that the term "local government" refers to a political subdivision of a country or (in a federal system) state which is constituted by law and has substantial control of local affairs, including the power to impose taxes and to exact labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected. 1)

2. Devolution of authority to local government units or special statutory bodies is one facet of decentralization. The other is the transfer of authority by deconcentration (i.e. delegation) of authority to field units of the same department or level of government.

It is obvious that the latter form of decentralization is absolutely different from the former one, since field administration is simply a manifestation of the central government. The regional authority has no powers of its own, and no separate existence. It is simply a mechanism whereby the central government does things locally instead of doing everything at headquarters. In practice, of course, a certain amount of discretion may be given to the officers at the regional level, but they are liable to direction and orders from above, and they are responsible to their superiors for everything they do. 2)

It is illustrative that the French term "deconcentration" refers to the increase of powers and functions of the central government's local representatives, in order to reduce the burden of the central government, thereby making it possible to settle questions with due regard for local interests. "Decentralization", on the other hand, relates to actual powers held from the outset by communes or local assemblies. 3)

- 1) Cf. a U. N. report on Public Administration Aspects of Community Development Programmes (1960), p. 3. During the meeting of the Working Group on Administrative Aspects of Decentralization for National Development in Geneva, Oct. 1961, the representative of ILO suggested to replace the words "including the power to impose taxes or exact labour for prescribed purposes" by the words "including the power to raise revenue". The motive was that the Forced Labour Convention, 1930, provided for the progressive abblition of forced labour as a tax or for the execution of local public works, only permitting subject to certain conditions, the exaction of minor communal services. These services must be "in the direct interest of the community" and may only be restored to by local authorities at the lowest levels. An alternative suggestion was to replace the above mentioned words by the words "and, in certain cases, to require the performance of minor communal services".
- 2) R. M. Jackson, The Machinery of Local Government, London (1958), p. 6.
- 3) Decentralization in France, report submitted by Roger Bonnaud-Delamare to the U.N. Working Group on Administrative Aspects of Decentralization for National Development in Geneva, Oct. 1961, p. 3.

Although the French term "decentralization" differs from the meaning given above, it seems useful to stick to the wider interpretation, which is accepted in a number of countries. This study, however, will limit itself to local government and will, therefore, not deal with field administration as such.

- 3. In a number of countries, however, local government units and field units are to be found side by side, the latter being dominant in the developing countries. This really goes without saying, since most of these countries have governmental systems and institutions which are of a more feudal and hierarchic than democratic character, with the result that the central authority dominates the scene. After all, democratic institutions can hardly be imposed from without; they can only flourish and grow from within the community.
- 4. More than once it occurred that administrative bodies, "boards", "committees", or whatever they may be called, proved to be a first step in the evolution of a system of local government. An example of how a system making use of government agents has stimulated and evolved the growth of local government bodies is provided by the Sudan 1), whereas in many former English colonies in Africa, local government originally had the form of central government agencies.
- 5. It is self-evident that there must exist some relation between the local authorities and the central government in order to prevent conflicts between the local government activities and the aims and wider purposes of the central government. Moreover, the activities of the local authorities always remain subject to the pressure that the central government can bring to bear through supervision, withholding of grants, and in the last resort, by the exercise of default powers.

Sir Ivor Jennings states in his definition of the term "local government" that since it is "government", the system of local government which a country develops must be part of its governmental or constitutional structure; and since it is "local" it relates to specific portions of the country defined by locality. 2)

It should be kept in mind that in any country the ultimate responsibility for the general welfare of the people naturally remains with the national government. The general basis of the system of decentralization implies that all powers of local government bodies are derived from the Constitution, or are based on a statute, while the national government is morally bound to be interested in how local authorities do their job.

6. An essential principle of local government is representative and responsible government. The execution of local administrative powers must be controlled by elected or otherwise locally selected representatives, who are responsible to the local community, directly or indirectly, for their administration. It is the duty of the electorate to see that the responsibilities

¹⁾ Local Government in the Sudan, Address by Ali Hassan Abdulla, Director of Local Government on the Africa-Asia Day, XIVth International Congress of Local Authorities, Berlin, June 20, 1959.

²⁾ Sir Ivor Jennings, Principles of Local Government Law, University of London Press Ltd. (1959), p. 1.

are properly discharged. The sharing of a common burden by a large number of people, presupposing the existence of public interest in the affairs of the community as a whole and a willingness to shoulder responsibilities for the common benefit may indeed be considered as the chief characteristic of a developed local government system.

Local government in this sense is in most cases of quite modern date. Even England, "the home of local government", was up to the 19th century by no means democratic or representative judged by present day standards. The municipal corporations before the Municipal Corporations Act of 1835 were governed by oligarchies; in the rural districts until 1888, local administration was almost entirely in the hands of justices of the peace, appointed by the Crown. 1)

Also in other European countries and on the North American continent modern systems of local government are of recent origin. Their rise may be attributed primarily either to the Industrial Revolution and its concomitant features such as the tremendous growth of the urban population and the consequent changes in the geographical distribution in most countries, or the new conceptions of political liberty and personal freedom which arose at the same time. 2)

7. Functions and services covered by the expression "local government" are considered of local, rather than of national importance. However, it is not possible to lay down any precise division of responsibilities between the central government and the local authorities. In the first place, this division in continually changing, in the second place, accidental circumstances or convenience have to some extent determined whether certain matters should be performed on a national or an a local basis. Examples of services of the administrative-technical type which are usually considered to fall within the local government sphere are those concerned with sanitation e.g. drainage and sewage services, the disposal of refuse, cemeteries, public baths; public amenities e.g. markets, recreation grounds, parks, fire services, etc. These are the local housekeeping tasks which are considered to be best left to local administration. 3) But history is full of examples of functions which were at first purely local in their importance but which became, with the passage of time, vital to the whole population of the country, e.g. roads, bridges, public health. 4) Indeed, the field of local government cannot be determined by any theoretical consideration of the type of service it should include.

The division of functions between the central government and local government is a question with which all countries have to deal. There seem to be three main principles for the assignment of functions to local bodies. The first is that a local body may do anything which it considers to the local good, provided it is not specifically forbidden by law or assigned by law to some other authority. The second principle is that no local authority may do anything which it is not definitely entitled to do by virtue of a statute. This principle is followed in England, the land of "ultra vires". The third principle which is operative in the USSR is that whereas by law there is nothing which is beyond the scope of the powers of any local authority, yet

¹⁾ Philip J. Harris, Local Government in Southern Nigeria (1957), p. 11.

²⁾ Sidney and Beatrice Webb, English Local Government: Statutory Authorities for general purposes, London (1922), p. 398.

³⁾ Cf. E. N. Gladden, The essentials of public administration (1958), p. 172.

⁴⁾ Hart, op.cit., p. 7.

its action may be overruled by a higher authority. It seems that within these three categories every developing country should be able to find a system of checks and balances most appropriate to its needs and concepts.

8. In this connection it is interesting to draw the attention to the apparent trend towards centralization of former local functions and services. Strong centralizing tendencies are noticeable in all western countries. Previously, local government performed many services and functions. But financial reasons, improvements in communications and technical facilities as well as the demand for standardization of services have all contributed to the gradual transfer of functions to larger regional or central authorities. 1)

Sir John Wrigley states in his foreword to a report on the Development

of local government in the colonies:

"For instance, recent years in England have witnessed a diminution in some respects of the range of local government responsibilities because of the acceptance of national responsibility for carrying out specific services and for bearing the full cost of them." 2)

Hart also emphasized this tendency toward centralized administration, i.e. a movement to transfer powers from local to central administration, while in the field remaining to local government there is a growing tendency to transfer functions to larger authorities. This trend is demonstrated by the creation of various boards regulating subjects such as traffic, unemployment assistance, trunk roads, etc. Since the war the growing tendency in the legislation to shift services from smaller to larger authorities is apparent, e.g. National Health Act, 1946, National Assistance Act, 1948. 3)

The experience at this point in England is instructive. The increasing amount and variety of services and the heavy financial burdens connected therewith proved many local government areas too small, too sparsely populated and too poor to carry on these duties. Also on account of various technical reasons some services demanded a larger area. 4) This naturally led to centralization of many services which hitherto had been locally administered.

Should local government be retained in spite of this demand for ever wider areas of administration, it seems imperative that the local bodies combine their services voluntarily or that new and larger local areas be created.

An attempt to solve some of these problems without resorting to centralization of the local services is functional decentralization, i.e. the creation of public corporations with a specific aim in local government. In many

¹⁾ Cf. Dr. E. Gutmann, Some remarks concerning local government functions, Jerusalem, 1958.

²⁾ Development of local government in the colonies, Report of a conference, foreword (1955).

³⁾ Hart, op. cit., p. 7, 36.

⁴⁾ The British Government issued two White Papers on Local Government, setting out proposals for improving areas which local authorities administer and for reversing in some measure the recent trends toward centralization by further delegation of functions (Cmd. 9831/1956; Areas and status of local authorities in England and Wales; Cmd. 161/1957: Function of county councils and county district councils in England and Wales).

countries one finds tentative efforts in this direction, but what has been achieved is hardly ever based on a legal disposition.

On the other hand, in several countries efforts have been made to remedy the drawback of the large towns by means of territorial decentralization, that is to say, by dividing up a town into smaller units which are entrusted with certain tasks. 1)

9. As a matter of fact, it is realized in many countries that the creation of larger local government areas is the only method of making local government viable. As far as Great Britain is concerned, Finer judges that the problem of the supra-county services is quite unsolved. Voluntary amalgamation has failed. The creation of larger democratically elected authorities is hotly disputed and officially discountenanced. In the meantime, the central government takes over more and more services, as has been described above. In England out of the hands of the local authorities has been taken i.a. the control of traffic licensing, trunk roads, public assistance, hospitals, electricity distribution, gas generation and distribution, etc. These services are administered by the central government inside 10 to 14 huge regions. 2)

Discussing the situation in England, Finer points out that the relationships between central and local authority have undergone a transformation. The nineteenth century saw real local autonomy - ř.e. extreme decentralization in the so-called local services. The Parliament of 1835 which passed the Municipal Corporations Act was obsessed not by the sluggardliness of local authorities, but by fear that they would go too fast and too far. By 1946, the whole concept of local domestic functions was obsolete. Finer even stated, that by the end of the Second World War the local authorities were considered less as councils in their own right than as mere local instruments of departmental policy. 3)

10. The conclusion seems to be that national co-ordination is imperative. Among the various forms encountered are: voluntary co-operation by local authorities, amalgamation with its inherent difficulties and a central-local partnership.

In America the scope of federal policy and of federal activities is also growing, there is a marked trend toward centralization in that country. On the other hand, the growing field of co-operation between federal, state and local levels is pointed out.

11. It may be emphasized that in the developing countries the centralizing trend is accelerated by various reasons, such as a precarious security situation, extreme financial stringencies, shortage of personnel and the absence of vested interests in local government.

Moreover, the developing countries are usually poor and in poor countries especially, governments must play a major part in providing leadership in planning and carrying out the innovations. They alone have the ability to take an over-all view and by direction or persuasion to allocate re-

¹⁾ The Large Town and the Small Municipality, a IULA publication of the reports prepared for the Vienna Congress, 1953.

²⁾ S.E. Finer, A primer of public administration, London (1957), p. 94-101.

³⁾ Ibid., p. 102.

sources so that development is balanced, and to impose the necessary burdens and sacrifices. 1)

Ch. V

¹⁾ Cf. U. N. Series on Community Organization and Development; Report of the Mission on Community Organization and Development in South and South-East Asia (December 1953), p. 16.

1. Local government in developing countries

1. It has been mentioned in passing that in the developing countries administrative decentralization or deconcentration is a more frequently occurring feature than local government. As a reason for this has been indicated that the institutions of most of these countries are more feudal and hierarchic than democratic. However, there are also other factors which actually make this understandable.

It has proved to be of the greatest importance for countries which had only recently acquired independence to render form and contents to the sovereign state, so that the primary concern with which these countries were faced was the creation and development of the central authority. All the attention, therefore, had to be directed to the strengthening of this authority which had to be able to assert itself in the whole country.

The universal picture in the emerging countries seemed to be that the leaders were applying all their energies to the framing of a Constitution, trying to reach agreement about questions such as the working and relationship of the various political institutions, weighing the pro's and con's of a federal or unitary form of government, etc. It may even be a basic problem, as was the case in Israel, whether a written constitution should be promulgated at the outset, or whether it should be enacted gradually on the basis of experience.

2. Moreover, a problem encountered by the leaders of some of the newly established countries is the lack of a national consciousness as prevailing in the Western countries, which seems to be supported by a common language, a common cultural tradition and common borders. 1)

It should be remembered that the unity of these newly created countries, especially in Africa, almost always bears an artificial character. It has been expressed by leaders of some new states that it was one of their first interests and main tasks to create a powerful government which could further a strong and national consciousness. 2)

At this stage of development the pressing problem for these countries is to create a nation by overcoming centrifugal pulls of tribal, ethnic and regional loyalties, so that a conscious policy to give form and content to local government can hardly be expected. This is also illustrated in an article dealing with "Congress and Local Autonomy" in the Philippines in which it is stated that "the struggle for national independence had transformed local autonomy into a relatively minor issue", and also that it was considered "that too much autonomy is inadvisable, unwise and not conducive to the general interest of the nation." 3) Also the Committee on Pro-

- 1) Wraith reports that on a tour of willages in Nigeria in which his instructions were to discover what the "ordinary" people were thinking about the right kind of constitution for Nigeria, it appeared that only few could comprehend what was meant by "constitution" and the interpreters could not find anything even remotely equivalent in the local language, but what was more surprising was that some of the people had never heard of Nigeria! (p. 163).
- 2) Cf. Mr. P. I. Idenburg, De Nieuwe Afrikaanse Staten en de Westers-democratische normen, in Internationale Spectator, Jaargang XV, Nr. 1, p. 4-6.
- 3) Leonardo C. Mariano, Congress and Local Autonomy (Oct. 1957), p. 364. That other factors are also involved is indicated in the article by Buenoventura M. Villaneuva about Problems of Local Autonomy, published by the Institute of Public Administration of the University of the Philippines.

vincial and Municipal Government of the Constitutional Convention of 1953, remarked "that with the increase of the participation of the Philipinos in the management of our central government there has been a noticeable decrease of independence granted to our local governments". The legal argument advanced for this is, that the Philippines is a unitary state in which all authority must emanate from the central government. 1)

In the field of administrative organization, the same development may be observed. It is reported that official efforts to strengthen the administrative organization of the Philippine government were almost exclusively

directed towards the national level.

The same situation presented itself in India where all the attention of Indian public men were fixed upon the national stage, and were concerned almost exclusively with the problems connected with it. It was inevitable that their interest in local affairs should lapse when broader opportunities were offered.

In Pakistan the question was still more complex. When this state was created in 1947, the problems she had to cope with were complex and voluminous. The entire structure of government had to be erected from the foundations during a period of civil strife and chaos. Pakistan has lacked skilled and educated political administration. At independence she did not possess a trained and experienced cadre of civil servants, partly caused by a loss to India of many civil servants. The Constitution was only enacted after some years of nationhood. There had arisen disunity between parties and corruption had reached considerable proportions. Constitutional provisions were never fully enforced. When a new cabinet crisis took place in 1958, the President was forced to abrogate the Constitution and to declare martial law. Since then the Government started the new experiment of basic democracies, a concept which owes its origin to the President of Pakistan, the field marshall Mohammed Ayub Khan. 2)

Also Israel has to struggle with the same problem. Local government possessed inherently a weak character because the power within the Jewish community was primarily concentrated in the leadership of the national institutions, while the various local communities were only of secondary importance. With the emergence of the new state this trend of neglecting local government was strengthened by the overriding need to create strong central institutions, causing many of the more talented politicians and administrators who had started out in the local authorities to be drawn into the government service. Moreover, today the much higher prestige of government service and the better conditions, practically bar the influx of able men into the local service. 3)

With certain qualifications the developments in the Sudan, Ghana, Burma and Indonesia present a similar picture. The basic pattern is the same: the central authority which is still unstable has to be strengthened, a process to which everything - therefore also local government - has to yield.

According to Akpan some African national leaders honestly felt that local government reforms should await the establishment of national self-government, i.e. until the constitutional and governmental structure of the countries concerned would be effectuated.

¹⁾ Lloyd M. Short, The relationship of local and national government in the Philippines (1955), p. 1, jo. foreword, p. IV.

²⁾ See Masud-Ul-Hasan, p.9, 11 and 33.

³⁾ E. E. Gutmann, The development of local government in Palestine, 1958, typewritten, p. 271, 272.

- 3. However, it is now generally agreed that early and proper practice in local government is the surest foundation for national political responsibility. The constitutional or governmental structure of a country affects the local government institutions only generally and in principle in so far as the country concerned is democratic or totalitarian, stable or unstable. A democratic and stable country should not be afraid of local government bodies to which it is prepared to allow a free hand in the conduct and management of their own affairs. A totalitarian or unstable government on the other hand cannot afford the luxury of allowing its local government bodies a great degree of independence. 1)
- 4. In the developing countries, naturally, there exist various forms of indigenous powers and authorities, such as rule by and over tribes, villages and village unions, etc. Usually the village is even the most important entity in underdeveloped areas. Generally speaking their work was the administration of justice according to local custom, and was concerned more with land, marriage, inheritence and domestic disputes than with what we now call local government services; these could hardly be said to exist, though the regulation of pasture and crops, the feeding and watering of stock and attention to the simple needs of a community which existed without money were local government functions in embryo. The difficulty is, however, to adapt these originally native communities of a primitive democratic nature to modern forms of government and to present dynamic developments. 2)

This is a process of adaptation demanding control and time which may be a difficult desideratum for countries desirous to develop rapidly. 3)

 $\overline{1}$ t is important, however, to be aware of another aspect of this problem. $\overline{1}$ t has been experienced that the sudden awakening of the population of the developing countries to new needs and facilities has caused an unrest and dissatisfaction necessitating an accelerated pace of improvement if the democratic process is to succeed. There is a real conflict here between an approach slow enough to ensure adequate foundations for continuing progress, and for avoiding undue disruption in village life on the one hand and the necessity for taking into account the pressures for rapid change on the other. There is a danger that unless people can be helped and organized to participate in activities opening up early prospects of improvement, more

¹⁾ Cf. Akpan, op. cit., p. 48-49.

²⁾ In all Aryan communities, at least local governing institutions have been in existence for a long time. The Mark, the Mir, or the Manor in the Tutonic, Slavonic and Celtic races in Europe correspond to the village system of India and other eastern countries as a unit of local government. (Ramayan Prasad Reva, The rôle of local self-government in Modern State, in Local Government, Vol. II, No. 324, July-August 1959, p. 31, publication of The Federation of All India Local Authorities).

³⁾ It seems desirable if the leaders of the developing countries shared the views of Akpan on this point, who states: "The unique advantage that Africa has over Europe or even America, pioneers in the same fields, is that it is able to learn and profit by both the mistakes and successes of these older countries", p. 15.

abrupt forces of change may be called into operation instead of progressive changes through democratic process.

6. In a Report of the Mission on Community Organization and Development in South and South-East Africa, from which the foregoing observations have been drawn, the Committee observed to be "impressed with the necessity for building from the bottom up.... from the village to the central administration of government rather than from the top down". 1)

It is not surprising, therefore, that the Basic Democracies Order, 1959, embodies a scheme for Pakistan, which starts with a network of local authorities in villages and towns throughout the country. Contrary to the previous structure which tried to build from the top downwards and that led to instability the new experiment begins at the basis with the community life of the country reflected in the system in which the village plays the most important part. The major problem was to discover a rational unit of community consciousness. Under above mentioned order this problem was successfully tackled in such a way that in rural areas, where the villages are small, a number of villages have been grouped to constitute a unit, namely a union. These unions seem to be large enough to command sizeable financial resources and to recruit organizing ability to its service, yet small enough to be identified with local feeling and community consciousness. The units of local government will be representative of the people and will be the basic organs of democracy. Free to administer their local whole, they will form the base on which the entire political edifice of the state will rest. The structure is pyramidical in design and character, broader at the base and progressively narrowing towards the top. 2)

- 7. The leading groups in these countries, who have often been educated along western lines and have learned to think according to western democratic principles of government, often consider their own institutions in this field as antiquated relics from the past and therefore regard them as being of no use anymore. They tend to prefer to follow new paths, breaking completely with the past. The danger then exists, however, that in their reforming zeal they throw away the baby with the bath water, i.e. that in this way indigenous institutions are discontinued, which after a process of adaptation could have been of great value.
- 8. These observations should demonstrate once more how difficult the process of adaptation in fact is. At one extreme is encountered a "blind borrowing" of the administrative systems and mechanisms of differently structured and more developed countries. At the other extreme may be found instances in which a policy builds too much on old forms of native authorities which are looked upon as antiquated relics from the past. The ideal solution lies somewhere between these two extremes: "selective borrowing" on the one hand and not sticking too much to institutions which have outlived themselves on the other hand.

¹⁾ U. N. Series on Community Organization and Development; Report of the Mission on Community Organization and Development in South and South-East Asia (December 1953), p. 72.

²⁾ Masud-Ul-Hasan, Law and Principles of Basic Democracies, Lahore, (1960), p. 10, 40.

Ch. VI. Effects of the welfare state on local government

1. A phenomenon, which although of a different nature, also has an influence upon the chances of development of local government in the new countries, is the universal trend towards increasingly detailed parliamentary or other central government regulations of all aspects of life. This is the consequence of the fact that the negative laissez-faire state has been more and more transformed into the positive state which is continually recognizing a greater and greater responsibility for the welfare of its citizens. The state has grown into the welfare state, and its business is no longer limited to justice, police and defence, but grows ever more extensive, comprising what are often called "service function", the promotion by positive measures of such things as public health, housing, continuity of employment, higher standards of living, price stability, etc. The state aspires more and more to assure a decent existence for all by promoting "full employment", implementing the social security laws, etc. In this way regulatory law has grown which has to provide the necessary conditions for the fulfilling of these tasks. 1)

For instance, England saw the first features of the welfare state such as national insurance, old age pensions, just before World War I. During this war the government was obliged to regulate numerous aspects of national life. It had for the first time virtually unlimited powers over people and their property. After the war it was attempted in vain to return to the pre-war position. The people had been led to expect that after the war everything would be much better, they expected better houses, better education

and generally better conditions of life.

This tendency was strengthened during World War II, which caused an unparalleled increase in the power of the central government. In many matters concerning the mobilization of the country for war the local authorities were treated very much as if they were agents of the central government. After the war the war-time system went on with little change. The amount of central control of local authorities has been greatly affected by this pattern of over-all economic planning. 2)

2. These processes exercise their influence in developing countries as well as in other countries. However, while in the older democratic countries the tradition of local government has been able to become established and developed before the state had started to consider it a duty to regulate social life in its various aspects, the new countries are suddenly overcome by this trend while they are still in the process of constructing a basis for the institution of their local government. Contrary to the situation in the older democratic countries where the autonomous authorities based on tradition strive against the ever growing desire of the state to regulate, such opposing forces are lacking in the developing countries. In those countries the central government has more or less free scope with the consequence that local government is threatened to be nipped in the bud.

If it is realized that the rapid economic and technical development in the older countries has caused a growing degree of state control, it may be seriously questioned whether democratic local institutions may be expected to flourish or even survive in the developing countries, where the pace of economic development must of necessity be even more rapid. 3)

¹⁾ Cf. Prof. Mr. B. W. A. Röhling, Het volkenrecht in een groter wordende wereld in the Internationale Spectator, Jaargang XII, no. 15 (1958).

²⁾ Cf. Jackson, op. cit., p. 252-257.

³⁾ Cf. James S. Coleman, The character and mability of African political systems, in: The United States and Africa, Columbia University, New

3. In this connection it is interesting to note that F.J. Tickner, Deputy Director of the Office of Public Administration of the United Nations, in a statement for the XIVth International Congress of Local Authorities in Berlin in June 1959, submitted the following question to his audience. Are contemporary developments in government increasing or lessening the importance of local authorities? In this respect Tickner made some interesting observations, especially referring to local government in the developing countries in Asia and Africa.

The fact was emphasized that it is necessary to accept the greatly increased importance of technical developments in local government, the application of which will necessitate specialized knowledge and abilities. There is an increasing demand for all kinds of specialized technicians, while it is self-evident that the developing countries have a serious shortage of these technicians, with the result that these countries have to rely considerably on centralized planning at the expense of local initiative and local autonomy.

This question of the increasing importance of technical development in local government came under discussion at the International Political Science Association's Congress in Rome in September 1958. Several of the participants even argued that the achievement of economic and social progress requires an effective application of modern science and technology, which can be done most efficiently at the national level and that in consequence, the rôle of local authorities must inevitably diminish in the modern world.

- 4. However, whatever the weight of these trends may be, it is beyond doubt that local government still has an important, even vital task to fulfill, both in the developed and in the developing countries. No central government can cope with all the additional burdens which fall to it under the new conception of state activity. It has neither the time, nor the special technical knowledge to enact adequate legislation on many of the complex topics, nor, indeed, could such legislation always be drafted in sufficient detail, or be made flexible enough to cover the widely varying conditions which it encounters. This argument is also valid if social services are to be built up and expanded for then there must be efficient organs of local government directly representative of the people to operate and control them.
- 5. The problem of the older democratic countries where the local institutions already have experienced a long development is to find ways and means to adapt these institutions to their changing tasks. These tasks may bear a different character, but are certainly not less extensive than in the past. This is understandable if it is taken into account that the modern public activities have expanded infinitely and have therefore also become more complex. Even if the provision of these activities on a national level increases, the local authorities still have so much to work out and execute, that it will require the greatest effort to procure the best possible and most efficient service for the people. In Great Britain this extension of the governmental tasks substantially increased the work of local authorities, such as housing, road making, sewerage, gas, electricity, schools, etc. The costs of these services and the heavy local burden of poor relief made it necessary for the local authorities to turn to the central government. At first the government sought to relieve local authorities by increasing the grants, but with more extensive financial governmental help went a greater

measure of control. Even with more financial assistance, however, many authorities could not carry the cost of e.g. long-term unemployment or of improving and maintaining major roads. Therefore, both these burdens were taken over by the central government. 1) This trend is also proved by the institution of the special administrative agencies, such as e.g. school and water boards, which were instituted in many countries and which possess legislative and judiciary powers in special fields. In a sense and to a certain extent, however, this development can also be seen as a competition with the growth and development of local government.

<u>6</u>. Taken together, it seems that the trend towards the welfare state causes an increase of the activities undertaken by the central government, while the local authorities although charged with more tasks, seem to become more dependent on grants of the central government, more subject to supervision and control, possibly virtually becoming an agent of the central government. 2)

The solution of this problem cannot be found in diminishing the rôle of local authorities, but in searching for new forms of co-ordination and co-operation, between central and local government, making it impossible to stick so strictly to the concept of local autonomy as has been done in the

past.

In this connection it is interesting to note that at a seminar of Central American states, it was concluded that in order to ensure the benefit of autonomy "co-operation - both administrative and financial - must exist between the central government and the municipalities. It is through co-operation between levels, and not through isolation or subordination of local units, that the latter will serve national as well as local interests; thus, one level reinforcing the other, they can accelerate social and economic development". 3)

¹⁾ Cf. Jackson, op. cit., p. 255

²⁾ Ibid,, p. 258

³⁾ Sady, E. J., Central Americans seek to improve local government, IULA Quarterly, summer 1960, Vol. XII, no. 2, p. 27, 28.

CENTRAL SERVICES RENDERED TO LOCAL AUTHORITIES

Part II

Ch. I. Concept Central Services, its origin, aim and purpose

- 1. In the foregoing pages it has been attempted to explain to a certain extent the essence and characteristics of local government with special emphasis on rapidly developing countries. The problems of local government at different levels that bring about the need of assistance were indicated and the differences in assistance demanded by the prevailing conditions in particular the stages of development were noted.
- 2. In general it may be stated that the democratic state in its function of a welfare state has the responsibility to provide equal rights and opportunities to its subjects and to effectuate that there is not too much inequality with regard to services such as those related to education, social welfare and health. It is more and more believed that every person as a right of citizenship should have access to certain standards of public service, which can be guaranteed only through some form of intervention by the central government. It has been pointed out that there are many disadvantages in having all public services concentrated in the hands of the central government and that it is desirable to decentralize public services by establishing a local government system. On the other hand, a well organized state cannot leave complete freedom of action to the local authority concerning its domestic affairs, i.e. affairs belonging to the "self" or "peculiar" interest of the local authority -, which makes an efficient system of control an essential requirement.
- 3. In this connection it may be important to emphasize that the pressures generated by the emerging service rôle of local government pushed objectives other than those associated with the restraint of power to the fore. The demand that government not only perform, but perform well, affected every public institution.

In the developed countries the local authorities mostly felt the impact of the demand for new public services, such as streets, water, sewage, welfare aid. Efficiency of operations became important both money-wise and service-wise.

For these reasons, therefore, the premises on which the evaluation of local government proceeded were more closely akin to those of public administration than to political theory. In the U.S., for instance, the great innovations in local institutions, the commission form of government, the strong executive, and finally the city manager with its accompanying non-partisanship and streamlined democracy - were predicated to the belief that efficiency in the "bundle of services" was of overriding concern.

In this way the norm of efficiency came to predominate, while issues associated with liberty and equality dropped out of sight. Issues concerned with welfare in its narrow service sense, became the almost exclusive concern. 1)

When discussing the problem of central services rendered to local governments it is considered of the utmost importance to realize that value

¹⁾ Wood, Robert C., A division of powers in Metropolitan Areas, in Area and Power, A theory of local government, Illinois, 1959.

is attached to the construction of meaningful political communities, to the question of obtaining political responsibility. The division of powers should be governed by the basic values of the modern democratic state, i.e. liber-

ty, equality, welfare.

To promote liberty, governmental power can be so divided as to protect the individual and groups against arbitrary governmental action and against great concentrations of political and economic power. To promote equality governmental power can be so divided as to provide broad opportunities for citizen participation in public policy. To promote welfare governmental power can be so divided as to assure that governmental action will be effective in meeting the needs of society. Obviously no one value can be maximized, if all are to be achieved in high degree. 1)

4. To guarantee viable local government the central government has to establish a legal local government system providing the local authorities with sufficient autonomous power. However, this may not be enough. Especially in the new countries the local authorities are in need of guidance and assistance from some quarters to be able to properly carry out their functions. As a consequence of these circumstances the concept has grown that the central government had the task to render services to the local authorities in various fields. In many countries, both developed and developing ones, the central government assists the local authorities in solving administrative problems, provides legal advice, fulfills a task in planning, etc.

Experience has shown that the more industrialized a country becomes, the greater grows the need of central services to local authorities in the technical field, and also the need to co-ordinate the local activities with those of the central government. In a way these services are not solely for the benefit of the local government, since this reciprocal arrangement serves to the mutual advantage of both, in the end aiming to serve the public interest.

5. In this study the term "central services to local authorities" refers to measures by the central government to strengthen local government. In many countries, especially the older established ones, words as co-operation, partnership or, in federal states, inter-governmental co-operation are used.

In these older countries, where the philosophy of local government has long been based on the anti-thesis central-local government, this conception of central government aid may be understood and accepted with diffi-

culty.

In the developing countries, however, such a doctrinal barrière is non-existent. For these countries it is more natural to accept the thesis that central government has to aid with the establishment and functioning of local government and has to strengthen, invigorate and guide the local authorities.

6. The most important of these services seem to be the stimulation of awareness of local government, principally by educational measures of every kind; the enactment of provisions concerning local government in the constitution, since many of the developing countries are in the process of

¹⁾ Cf. Maass, A., Division of Powers: an areal analysis, in Area and Power, op. cit., p. 9, 10.

framing a constitution or changing the existing one; also the framing of basic or organic laws dealing with local government, as well as the institution of a special agency dealing with local government could be considered an important service. These services could be called "primary" services, as distinguished from the "secondary" or so-called "technical" services in the fields of finance, personnel, socio-economics, legal assistance, purchasing, programme improvement.

- 7. In the older established countries the "primary" services among which the formal ones, such as the enactment of constitutional provisions and the framing of basic laws, have been "rendered" a century or more earlier. While in many countries the local authorities were already in existence when the central government superseded them, the constitutional provisions bore more the character of a safeguard and security measure than of a "service". And since in those days the anti-thesis centra-local government was in full force, the central-local relations bore a mere supervisory and restricting character than a "servicing" one, while the elements of control and keeping in check were in the foreground.
- 8. The rendering of central government services to local government has fulfilled and is fulfilling a different rôle in the developing countries than in the developed ones. In the developing countries the primary services are of the utmost importance. Before being able to benefit of the secondary services, these countries are in the greatest need of stimulation of awareness and above all of training and education with respect to local government. Although it is generally recognized that these new countries are in great need of economic development, in which the local authorities have an important part to play, it may be necessary in the interest of local government to stress the services towards the education of local government for self-responsibility, even at the risk of some initial delay.

responsibility, even at the risk of some initial delay.

When the "primary" services, i.e. stimulating awareness of local government, enacting constitutional provisions and basic local government laws, establishing a central agency dealing with local government, have been rendered, the importance becomes smaller. Even though, of course, there will remain a continuing need for the spreading of doctrines concerning the effective functioning and basic values of local government. The need for "secondary" services, however, remains in existence. Since the social and economic problems are becoming increasingly involved, all countries will experience an ever growing need of expert help of the central government. In time, these relationships will grow into co-operation and partnership as is already the case in the established countries.

9. Central government assistance can be formal or informal. Formal assistance is sanctioned either in the constitution, statutes or administrative regulations. Constitutional provisions related to the assistance concept are rare, if not non-existent. E.g. the Alaska Constitution establishing the State Department of Local Affairs contains the direction that the department "advise and assist local governments". 1)

Statutory bases for technical aid are more common in the U.S. They often contain the service formula and may even provide for administrative arrangements for its execution.

¹⁾ Alaska Constitution, Art. X, sect. 14.

Administrative rulings and regulations may also provide for formal arrangements for technical assistance as observed in the policies of the N.Y. State department of audit and control in its creation of a Municipal Research Division which acts as a clearing house for information and guidance on local government.

Informal assistance is any form of aid provided apart from assistance according to formal provisions. The range of such informal activity can often exceed the formal assistance and it can take many forms. It is undoubtedly the category most difficult to trace, while it is probably generally most extensively used. 1)

- 10. In a recent report focussing on the South East Asian region the objectives or mission of central services to local government have been grouped into the following major categories:
 - 1. Strengthening the sense of feeling of national unity particularly in newly independent countries;
 - 2. Education of local government to prepare them for autonomy or to assume greater responsibility in rendering services to the people in their respective jurisdiction;
 - Safeguarding the national economy as an entity by facilitating the smooth flow of trade and commerce among political subdivisions and preventing the raising of obstacles through local government regulations;
 - 4. Assuring the balance of growth among local units by providing a uniform minimum standard of services to all the people regardless of the financial power of the local government;
 - 5. Keeping local government "under control";
 - 6. Maintaining the "father-and-son" or paternalistic relationship between central and local government as is common in the tradition and culture of each country in the region. 2)

It seems indicative of the difficulty of distinguishing between the measures intended to strengthen and develop local government and those aiming at increasing centralization, that in the above mentioned report "keeping local government under control" and "safeguarding the national economy" are mentioned as objectives of central services to local government. Whether "control" is a service to strengthen or weaken local government depends on the accepted philosophy about "control" and the attitude of the people exercising it. The intention of the central government is difficult to discern and impossible to evaluate without being conversant with the attitude towards and the concepts of local government in a particular country and its state of development. It seems that even a fairly large amount of "inside" knowledge is necessary to really judge whether a service will in effect strengthen or weaken local government.

¹⁾ Cf. State Technical Assistance to Local Governments, a review of Selected State Services, typescript, prepared by the Council of State Governments, 1961, p. 7, 8.

²⁾ EROPA, Report on Working Group I, Central Services to local government (December 1960); and Central Services to local government by Prajudi Atmosudirdjo, EROPA Review, June 1961, p. 23.

11. It is necessary to draw a distinction between the services rendered by the central government in the local autonomous sphere in which the lower public authority is competent to take the initiative (autonomous functions) and those services rendered in the sphere in which the lower public authority has to assist in the execution of the higher regulations (delegated functions). In the latter instance the local authorities are in practice acting more or less as agents of the central government. This distinction is preferred to the one made by Humes who differentiates between: (a) those functions in the carrying out of which the representative organs of a local unit may exercise a significant degree of discretion and (b) those other functions in the implementation of which the local units have no opportunity to exercise discretion. 1) Even when the lower public authorities assist in executing the higher regulations a certain amount of discretion may be exercised.

It is obvious that the services offered in the latter sphere bear a different character in principle, since the local authorities are co-operating in carrying out a task, which primarily belongs to the competence of the central government. In the case of delegated functions of the local authorities, this delegation can sooner be considered as a division of tasks between the two public authorities - central and local government - than as a rendering of services.

As a matter of fact it is often difficult to precisely define the character of those "services". For practical reasons this chapter will deal with services in different fields without going more deeply into the question of their character as far as this specific problem is concerned.

12. In general, the danger exists that the central government services take the place of the services of the local units, thus hampering them in their development. This is illustrated in an answer to a questionnaire dealing with central services to local government, which states that in general central services to local units are not very significant, since the national agencies tend to by-pass the local authorities and cater directly to the people. 2) Between this kind of more or less direct services and those directed at educating the local authorities to better cope with their tasks there remains a large scala of possibilities. It is obvious that there is often a conflict of interests between the argument that the central government can more efficiently run the service itself, and the educative element demanding that the local unit performs it. In the end local government is always a compromise between democracy and efficiency.

13. When the lower local authorities assist in the execution of higher regulations in fields such as health, social welfare, education, public works, etc., acting more as agents of the central government, the element of strengthening local government in practice is less apparent. However, this relationship may provide an excellent opportunity to educate the local authorities towards greater independence. Such central government appeal to local authorities is always preferable to an over-all central execution.

¹⁾ Humes, S. and Martin, Eileen M. The structure of local governments throughout the world, The Hague (1961), p. 35, 36.

²⁾ Answers to Questionnaires on "Central Services to Local Government", EROPA (November 1960).

. II. Stimulating Consciousness and Awareness of local government rôle

1. In general it seems of the utmost importance that the central government, the various institutions rendering services to local government and the public at large are aware of the rôle of the local authorities. If there is a general intention to strengthen or reinvigorate local government this attitude will have its effect in all spheres of interest of the local authorities. It was pointed out in a recent report concerning Local Government in Saskatchewan (Canada) that it was believed that the trend towards centralization of political power should be consciously reversed. As one of the prerequisites of such a reversal was considered, of course, the capability of local government. 1) The Committee which drew up the report made a strong case for local government as a vital element in democratic society and expressed the opinion that to be strong and viable local government should be as comprehensive as possible.

General educative measures provided by the central government or other institutions spreading the principles of local government among the people dealing with local government - both in its function of providing local public services effectively and of constituting a vital element in the democratic structure - would invigorate local government.

- 2. Therefore, it is interesting to note that various countries develop specific plans to encourage the citizens to take an active part in the management of local affairs, in order to overcome the specialization problems caused by the increasing complexity of the administration. In some countries the local authorities are allowed to co-opt non-councillors to their committees, which provides an excellent method for tapping expert knowledge and of cross-fertilizing ideas. The difficulty about co-option is whether co-opted members should have a vote or not.
- 3. In some countries a number of non-governmental bodies have been established to foster local interests. In China the Taiwan Provincial Education Board, the Farmers' Association, the Water Conservancy Association and associations for fishermen, saltworkers, etc., have been erected.
- 4. In Israel the Prime Minister's Office set up a special government office for information and civic education. A Citzenship School was established to educate selected groups of newcomers. The purpose of the school is to train cadres of civic leadership in the new agricultural settlements. University students are sent to settlements during their summer vacation to teach Hebrew and instruct the settlers in organizing their public life.

Another way of attracting the interest of the citizens is to appeal to specialists or other competent citizens for special committees or bodies. An interesting example is the appointment by the Ministry of the Interior in Israel of a local government council, composed of members representing the government, local authorities and public figures. The task of the council is to advise the Ministry in everything concerning the activities of the local authorities.

¹⁾ Local Government in Saskatchewan, a report submitted to The Government of Saskatchewan, March 1,1961 (Regina, Sask.), p. 57, 58.

Ch. III. Framing local government and defining its powers and functions

1. The first step to make possible the rendering of central services to local government is to frame the system of decentralization to prevail in the country concerned. Without a clear philosophy and device of the meaning and content of local autonomy, it does not seem possible to provide services to guide the local authorities and to devise tutelage measures. In most of the older established countries the system of decentralization is anchored in the Constitution, which safeguards the local autonomy system, making it impossible to change it, or let it disappear altogether, at will.

In Japan, the Constitution which was put into effect in 1947, contains a chapter devoted exclusively to local government, in which the general principles are laid down, leaving to the law to fix regulations concerning organization and operations of local authorities in accordance with the principles

of local autonomy.

A similar system exists in Egypt, where the powers of the local authorities are determined in general terms in a section of the Constitution to be

elaborated in detail by an act of the legislature.

In Brazil, the fundamental principles of the municipal organization are laid down in the federal Constitution, while the states are entrusted to define remaining subjects regarding the organization and structure of the municipalities, such as conditions for the creation of a municipality and the division into districts, enumeration of powers and competency of both elements of municipal government and the term of office of the elected functionaries. This kind of subjects is provided for in the constitutions of the states, and are further worked out in organic laws, which the states, except Rio Grande do Sul, have enacted for the sake of the municipalities within their boundaries. Rio Grande do Sul has maintained its home rule tradition and lets its municipalities frame their own charters.

When a country has no written Constitution - like the U.K. - or when local government is not entrenched in the Constitution as is the case in some African countries, the relationship of local government with central govern-

ment is not a constitutional, but a statutory relationship.

It is self-evident that by far the most important question is whether the central government is sincerely convinced of the necessity of a sound and strong local government. For even constitutional and statutory provisions can diminish rather than strengthen local autonomy when the powers of the local authorities are put too much under restraint. Moreover, it is not sufficient to grant autonomy, it must also be realized in practice. The importance of this principle is experienced in some Latin American countries.

2. So called basic or organic laws contain the general provisions concerning the structure and functions of local government and its relation with the central government. Such a local government law can hardly come into existence unless at least the principle of decentralization is accepted. This acceptance may range from whole-hearted through luke-warm to merely nominal, and the amount of decentralization which any law contains will depend on local conditions and the relative strength of contending opinions. It seems obvious that the lack of an up-to-date and well defined local government law hampers the progress of local government. It needs to be emphasized, however, that the passage of such a local government law is only the very beginning. There still remains much to be done to establish a live interest in local government, to activate it and to attune the local government system to the everchanging needs of rapid growth and progress.

Moreover, the situation in the developing countries differs from that in the developed ones. In most of the developed countries the local authorities preceded the establishment of the state, so that their existence was in a way consolidated.

In the developing countries local government acquires its functions from the centre. The central government was first in the field and originated nearly all the public services. Moreover, for these countries it is easier to prescribe the functions in the local government law itself and not in a series of enactments dealing with specific subjects as has often been the case with the older established countries, since the new countries can draw on the experience of other continents.

- 3. The right choice of a local government system while vitally important, is only the first step in the growth of effective local government. The development of local government should be considered a continuous and growing process and not just as a once-and-for-all achievement. Societies are never static, and therefore social institutions cannot be final and static.
- 4. A factor which deserves attention is the number of levels, i. e. the <u>number of tiers</u> which the system of local government in a developing country should have. Here again it is impossible to provide a solution applicable to every country. In general, it may be stated that the number of levels should be no greater than is absolutely essential to provide services to the localities. Each tier increases the demands on the scarce supply of talented administrators and technical personnel, and so tends to lower the quality of service. Too many levels are confusing to the public, result in unnecessary expenditure and an unwarranted division of responsibility for the solution of particular governmental problems.

Obviously, in all countries the existing number of tiers is criticized as well as defended. It is interesting that it has been stated that the optimum number of levels among which to share the power to govern for the U.S. would be three. It is claimed that two is an invitation to abiding conflict and stymie, or at the other extreme to subordination and quiescence. The author states that the three levels of government were of overriding importance at different times: the states in the early development of regulatory and administrative service, the federal government during the 30's while in his opinion local and especially urban government is most active at the moment. 1)

In both developed and developing countries several levels of government are generally provided for. At the highest level are the largest areas, i.e. the major political subdivision. Within these there usually are one or more political subdivisions, smaller in area, but conceivably of greater importance as far as its sphere of action is concerned.

In the developing countries another difference may be constituted by the purpose of their creation. Some may be established primarily to function as bodies to provide local needs, whereas others are mainly to act as instrumentalities for the local administration of policies designed by a larger body, or by the central government.

The number of tiers in a particular country depends on various factors, such as historical causes, the size of the country, the degree and nature of sectional diversities, the extent of urbanization, the comparative ease or difficulty of the procedure for creating and abolishing local units and the modes of travel and communication prevailing at the time the local bodies were originally established. 2)

¹⁾ A. Maass, Division of powers: an areal analysis, op. cit., p. 36.

²⁾ Cf. Ernest B. Schultz, Essentials of Government (New Jersey 1959) p. 478-479.

For rural local authorities at the lower level the authority should cover the largest area at which a sense of community exists and direct citizen participation in local services is possible; at the higher level an authority should cover the largest area from which most technical services can be provided efficiently, but not so large that councillors cannot meet frequently.

The following may provide a general guidance to the creation of units of local government: the boundaries of a local authority should correspond as closely as possible to a definite area of social life which differs sufficiently from other communities to warrant the separate handling of its governmental problems, in order to obtain local units with populations that have common political interests; the area included within the boundaries of a local unit should be determined in consideration of the size that is most suitable from the standpoint of administrative efficiency and effectiveness or the convenience of the citizens; and finally, each should possess sufficient resources to finance its activities.

- 5. With regard to allocation of powers and functions it is important for the developing countries to be well aware of the fact that local authorities, although of the same type, may still be far from homogeneous. There is not only a great variation in conditions from country to country, but even in a specific country local authorities may differ greatly, depending on geographical, historical, social, economic and financial factors and circumstances. To treat them all alike, that is to say to assign to them simultaneously the same powers and functions, is unrealistic.
- 6. A striking example of this policy is to be found in Brazil, where every municipality has the same form of government and the same constitutional powers, whilst within each state they have the same powers and are given the same functions and responsibilities. Theoretically, the powers and functions of the most backward local authority lost in the Amazon jungle are the same as those enjoyed by the municipality of São Paulo, one of the largest and greatest economic and cultural centers of South America. It seems that this uniform organization of local government has been a characteristic of Brazil since the monarchical times.

There has never been a clear-cut distinction between state and local functions in Brazil, except in a few cases such as the police and judiciary services, which have always been rendered by the state government in republican times.

Of the factors which are responsible for this situation the most important one is the lack of strong municipal traditions which, in turn, results from a serious lack of adequate financial and technical resources. As a consequence the local citizens have become accustomed to look upon the federal and state government for assistance. Moreover, the need for governmental action has developed at a much faster rate than the capabilities of local government.

So, regardless of what the legislature stipulates concerning the local character of a function or service, the higher government levels may take over its performance without any objection, provided that the municipality asks for help or shows its consent in one way or other.

The ever-growing power of the federal government and the continuous increase of its functions are responsible for the wide variety of services, which it renders at the local level, either by direct administration, through the several ministries or by means of the federal authorities or "ad hoc" bodies.

The range of state services rendered at the local level is even broader than the federal, since the states have more and more taken over purely

local functions, either on a state-wide scale or in a more incidental way, as circumstances dictate. 1)

It seems that also the indifference of the citizens regarding the level of government which provides the services in the absence of interest for local autonomy and democratic control over local services, has caused that federal and state government services take the place of the services of the local units, thus hampering them in their development.

7. The Sudan, on the other hand, offers an example of gradual development of local government, as already mentioned previously. 2) The Sudan is divided into 36 local government areas, showing different conditions and degrees of development. These local areas usually pass through five stages in accordance with their conditions and degree of advancement.

In the first stage, normally applied to underdeveloped areas, the minister of local government appoints a local government inspector as local government authority. Although still a central government authority, he carries out his local government functions alongside with his central government functions. At this stage the exercise of local government powers does not normally exceed the making of by-laws and initiating services to be rendered by the provincial council.

When the minister of local government is satisfied that an area in the first stage is of the right size and has the necessary resources he grants it an independent local government budget, thus promoting it to the second stage. Simultaneously the local government inspector appoints a council to advise him on the discharge of his functions.

In the third stage the local government inspector delegates, with the consent of the minister of local government, his power to the council, but retains the right of veto.

In the fourth stage a local government council with full powers is established by warrant issued by the council of ministers. The chairman of the council in this stage is appointed. In the fifth and last stage the warrant is amended to enable the council to elect its own chairman. A local authority in the fourth and fifth stage is a body corporate with right to sue and be sued, own land, etc. The council may be partly constituted of elected members. Normally one third of the members are appointed by provincial governors. All the powers of local authorities are permissive and not mandatory. The object of this is to give them a latitude of discretion to select services as are necessary for the locality and which it could finance from its resources. Although a local authority must not necessarily pass through all the stages this system provides a certain degree of flexibility in the approach both to areas and to functions. 3)

8. In the U.A.R. the Law of Local Government, issued March 23,1960, wisely provided for its gradual application. Provincial councils, replacing the old ones, were immediately constituted, but not all towns and villages throughout Egypt could have at once their local councils. Therefore, the Law has fixed a maximum period of four years for its total application. In the meantime, and until the complete establishment of local councils in all towns and villages, the Law has provided for the supply of requisite local services to towns and villages where no councils have yet been constituted.

¹⁾ D. Lordello de Mello, Services rendered by the federal and state governments at the local level in Brazil, p. 1, 2, 11, 12, 30-34.

²⁾ See Chapter I, p. 16.

³⁾ Ali Hassan Abdulla, Local Government in the Sudan.

This task was imposed during the transitional period on the provincial coun-

cil, the representative of the whole province.

The units of local government are the province, the town and the village, each unit being endowed with a legal personality and being represented by a council.

The policy adopted by the Law is to delegate to local authorities all functions which by their nature are predominantly local, e.g. local utilities, town-planning, etc. As regards functions in which the nation as a whole takes a common interest, the policy of the Law is to delegate such portions of them, where variation in modes of operation and in extent corresponds more closely to different local needs and varying aptitudes, e.g. technical education, medical services, economic projects, etc.

In addition to the statutory functions delegated to local authorities, the Law has conveniently provided for meeting specific needs that may arise for delegating a new function. The Law authorized the Central Government to delegate to any local authority such functions retained by the Central Government, whenever the particular conditions and the specific aptitude of a local authority justify such delegation. The text is meant to instill a

certain amount of flexibility in the application of the Law.

Moreover, the Law permits any ministry to execute a function delegated to a local authority. But this participation is conditioned by the consent of the local authority. The reason for this potential participation is that local authorities of the same level may nevertheless differ in their technical and financial capabilities.

9. Another example of great flexibility in the assignment of functions to local government councils, which may be illustrative for developing countries, has been practised in Western Nigeria.

When the present local government structure in Western Nigeria was created, great regard was paid to the feelings of local groups and wherever such feelings took the form of a demand for a separate local government council, an attempt was made to meet it. The result was a structure on four levels: Area Committees at the lowest level, Local Coucils next, then District Councils, then Divisional Councils. The Area Committee is the equivalent of the Parish Council in England and its area usually covers a village or a group of two or three villages. It has no statutory powers, but it provides a useful forum for a small but closely knit group to make their voice heard in the local government of their area and sometimes to initiate small development schemes of a communal village improvement type.

The Local Council is created by a legal instrument which lays down its composition and functions. Some of the functions are obligatory while others are permissive and they include such items as the maintenance of traditional offices of chiefs, the disposal of refuse, etc. As a rule a Local Council is not a rating authority but it is associated with either an all-purposes District Council or a Divisional Council which is empowered to collect rates. An annual grant is paid by this rating authority to the Local Council from which its expenses are met. Local Councils vary in size, but they usually cover the area of a small town or a group of villages which have close affinity and desire to carry on local government as a distinct body.

The District Council is the most typical council. It can be an all-purpose Council, in which case it will be a competent authority for a long list of functions enumerated in the Local Government Law. Some of these are rating, education, water supply, maintenance of roads and bridges, health, customary courts, etc. A District Council can also be one with limited

functions in which case it will join with other District Councils or Local Councils to form a Divisional Council which will perform the functions not assigned to the constituent councils. The size of a District Council varies a great deal. It may cover a township area of about three miles radius, or a rural area, three or four times that size. The aim in setting up such a council is to have an authority which, as far as possible, will cover a homogeneous area and at the same time will be large enough to be viable.

The Divisional Council is the largest unit and it is usually organized where by tradition the people of a wide area, like a Division, have been in the habit of working together for a long time. This may be because they have been subject to the same paramount ruler or because they have tribal ties which are still recognizable and which continue to bind them together effectively. Where the constituent councils are Local Councils, the Divisional Council is usually given the power to levy rates and pay precepts to the Divisional Council for the functions which it is called upon to perform on behalf of everybody. Typical functions are education, works, customary courts, and the maintenance of the traditional office of chiefs.

Divisional Councils are at the present moment unpopular and are gradually dying out. It would appear that old ties are weakening and in the general race for social improvement, it is difficult to share amenities in

a way that would satisfy everybody.

Government servants deplore the disappearance of the Divisional Councils, because they are the only units large enough to provide efficient organization for such services as education, works, health, etc. There is a groping towards the establishment of Service Authorities which will cover similar areas but will avoid the political odium which Divisional Councils have earned. 1)

10. In Pakistan, a country of continental dimensions, and comprising regions at various levels of development, the Government is empowered to except local areas from provisions unsuited thereto. While the omnibus provisions of the Basic Democracies Order, 1959, would be suitable for the country as a whole, there may be certain regions or areas where certain provisions may not be suitable. Article 2 gives the Government the necessary power to provide for such exceptional circumstances which makes the Order very flexible. When the Government, by notification in the official Gazette, has excepted a local area, or any part thereof, from the operation of these provisions, it may make rules for the regulation of the matters so excepted.

Moreover, a flexible system of functions has been provided under the Basic Democracies Order, so that functions can be varied and adjusted according to needs, circumstances, and experiences gained. While defining the functions of local councils, a residuary clause has been provided to enable a local council to undertake any function likely to promote the welfare, health, safety, comfort, or convenience of the people in the local area. Over and above this general and comprehensive provision there is a specific provision directing or authorizing a local authority to undertake any specified function. Such authority may be conferred on local authorities generally or specifically. 2)

¹⁾ J. M. Beckley, Pattern of Decentralization in Western Nigeria, prepared for the United Nations Working Group of Decentralization for National Development in Geneva, October 1961,

²⁾ Masud-Ul-Hasan, op. cit., p. 125, 126.

Clearly following the same trend of thought, the Public Administration Service, Chicago, in a report on "Strengthening municipal government in El Salvador" suggested to develop a system of classifying or grouping municipalities on the basis of their significant similarities, their needs for public services and capacities for meeting those needs, instead of treating them alike.

11. A development in stages may also be desirable or even necessary for

the representation of the general public in local authorities.

In many areas it will be impossible to produce an elected council of persons with the experience and educational background to understand the complex problems of modern local government. The public is politically uninformed and unable to express its views.

In some developing countries the concept of voting for a representative may still be a strange concept. A vast majority of the population may be unable to read or write, while a great amount may live in a very primitive way.

In these circumstances it may be necessary to associate elected council members with ex-officio and/or nominated council members. It may even be inevitable for the first stage to start with only nominated council members, both traditional and non-traditional councillors. It may also be advisable to choose between two systems: (1) indirect election, or (2) direct election with restricted franchise.

12. The new experiment of basic democracies of the Pakistan Government makes possible the institution of local government on the basis of election, representation and selection. The local bodies at the first level - union councils for units of villages in rural areas, town committees for minor towns and union committees for divisions in major towns - will be mostly elective. Admitting that in the present situation of the country, elections can be effective only where the electorate is small, when the problems are definite and clear and when the promises made on the eve of the elections can be judged in the light of actual services rendered after the assumption of office, direct elections will be provided at the first level only. At the tahsil level in West Pakistan and at the thana level in East Pakistan, both local authorities at the second level, representation will be given unionwise; the chairman of every unit of basic democracy representing the local community will be a member of the tahsil - c.q. thana - council. At the district and division levels, i.e. the third and fourth level, the district and divisional councils consist of an equal number of official and appointed members on the basis of selection.

Thus, while union councils consist of elected and appointed members, in proportion of two elected members to one appointed member, the councils of the second level consist of representative, official and appointed members, whereby the number of official and appointed members may not be more than the total number of representative members and finally the district and divisional councils only consist of official and appointed members in equal numbers. At least one half of the appointed members, i.e. members who are neither elected nor official members, shall be chosen from amongst the chairmen of the union councils, and the town and union committees, in the district, c.q. division.

In his previously mentioned book, the author Masud-Ul-Hasan challenges the impression, which may be obtained that the local councils under the new system will not be democratic because of the nomination of their members. In his opinion the end and purpose of democracy is the good of the

common man while such good can be secured only when the best persons are intended for political offices. This does not happen if political institutions are captured by power-seekers and the common good will be subordinated to personal ends. The experience in the pre-revolution period has been that elections confused and corrupted the public mind. Contrary to advanced countries, where democratic institutions have been working for centuries and where healthy traditions have grown in connection with free and fair elections, in a country like Pakistan the percentage of literacy and the standards of living are so low, that the people cannot be expected to be schooled in elections overnight. Under these circumstances Pakistan could not, therefore, rely on elections as the sole method for choosing representatives and had to think of other ways, whereby the people could be adequately represented on the political institutions at various levels. 1)

In an address at Istambul, November 1960, President Ayub Khan explained the system of nominated members and expected that the "presence of elected and nominated members would evolve a system of checks and balances".

Obviously, the system described above is still in an experimental phase. It remains, therefore, to be seen if and to what extent it will succeed.

 $\overline{13}$. More or less a similar system exists in several Indian states. In \overline{Ra} jasthan, for instance, the members of the Panchayat are elected by the entire adult population of the village, generally by secret ballot, while its chairman, the Sarpanch, is elected by the entire electorate.

A Panchayat Samiti at the block level consists of all the Sarpanchas of the Panchayats within its area. The Sarpanchas co-opt representatives of scheduled castes and tribes, women, an agriculturist who has distinguished himself by raising the highest yield in that area, and one member from amongst the members of the Managing Committees of the co-operative societies in the block and two persons who have experience in administration, public life or rural development. These members elect, from amongst themselves, a chairman known as the Pradhan. Members of the State Legislature whose constituency falls in a particular Panchayat Samiti are its associate members, but they do not have the right to vote.

A Zila Parishad, constituted for each district, consist of Pradhans of the Panchayat Samitis in the district, members of Parliament, members of the State Legislative Assembly returned from that district, and the President of the Central Co-operative Bank in the district. Besides women, one person belonging to the scheduled case, one of the scheduled tribe (if its population is more than 5% of the population of the district) and two persons with experience as mentioned above are co-opted by other members. The Collector of the district is a non-voting member. The chairman is elected by the members from amongst themselves. 2)

- 14. The problem of representation of the general public in local authorities in Western Nigeria is solved as follows: Every local government council consists of:
 - a. a president who is the permanent chief;
 - a number of traditional members, some of whom are permanent members while others are elected every three years by an electoral college of chiefs of their own grade;

¹⁾ Ibid., p. 80, 81.

²⁾ Panchayati Raj in Rajasthan, p. 1-2.

 members elected by popular vote: the numbers vary in each case according to the size of the local authority area;

The Law lays down that the traditional members, i.e. the chief under b. shall not be more than one third of the elected members.

Election to divisional councils is indirect through their constituent councils. Each divisional council has:

- a. a president, usually the paramount chief;
- b. traditional members, some of whom are permanent and others elected triennally by electoral colleges;
- c. representatives of constituent councils, both elected and traditional. 1)
- 15. The structure of local councils in Egypt combines three elements elected members who form the majority, some selected members and some exofficio members.

National Union Executive Committees which exist, through popular election and universal suffrage, in every village and town as well as in every province, form the elective element in the structure of the local government councils.

From among the active members of the National Union, i.e. members who pay an annual subscription, the Minister of Local Government is empowered to select members, who must have certain technical qualifications or a proficient knowledge of their locality! Their number should not exceed two in the village council, five in the town council and ten in the provincial council.

To supply the local councils with the needed expert advice the Law adds a minority of technical experts as ex-officio members to the elected majority and the selected members. These ex-officio members represent the Ministries of Education, Health, Agriculture (only for the village councils), Social Affairs, Housing and Public Utilities, the Treasury and the Ministry of the Interior. The ex-officio member can serve on several councils. This representation corresponds to the functions and other services delegated by the central government to the local authorities.

- 16. The provincial councils in the Sudan are also composed of different categories of members. Such a council is established by warrant by the Council of Ministers and is composed of:
 - 1. members to be elected by the local government councils, within the province, from amongst their members;
 - 2. chairmen of local government councils within the province by virtue of office;
 - 3. head representatives of ministries and departments working in the province, by virtue of office;
 - 4. other personalities to be selected and appointed by the Supreme Council of the basis of their prominence in the area or for their technical profession or general experience.

Many more examples can be given to show that in the developmental stages of a nation the arguments for appointment and nomination of mem-

I) Beckley, op.cit., p.7, 8.

bers are more convincing than for untimely elected members. In this way nominated members can play an important rôle in representing minorities as in West Pakistan where the Government has issued instruction that minorities should be nominated. This is also the case in several Indian states, regarding scheduled castes and tribes.

17. Similar problems as the concepts of election and representation are presented by the concept of political parties and their operation on the national scene. Parties in more developed countries differ on questions of social and economic policy. These principles may be of little importance in emerging countries. In less advanced countries there has sometimes been a division between urban workers and peasants. Or religion may have been a criterium. But they were all national parties. It is possible that the mass of people has difficulty to understand national political parties with a programme for the whole country. The Convention People's Party in Ghana did succeed in cutting accross tribal loyalties in the early years when the demand for self-government was pre-eminent, but after this had been achieved tribalism came on the scene again.

These problems are repeated on the local scene to which may be added, that the prevalence of national problems, i.e. the achievement of self-government, the form it is to take, the framing of constitutional questions leave few capable people to wrestle with problems of a local nature.

18. In Egypt the existing political parties were resolved and have been replaced by the National Union, as being considered to be a more efficient channel for expressing public opinion on all matters which interest the individual citizen.

The National Union was established by the Constitution of Egypt of 1956, in the following terms: "A National Union will be established by the people to work for the realization of the aims of the Revolution and to muster all efforts for the sound building of the nation in the political, social and economical fields".

The President of the Republic is at the same time President of the National Union.

All citizens of the country, male and female, of 16 years of age at least, with no mental or moral impediment, are ordinary members of the National Union. Those among them, who have formally adhered to the concept of the National Union, and affirmed their adherence by the payment of the annual subscription of 24 piasters, are considered active members. Members, whether ordinary or active, are equally entitled to be electors, and eligible of all popular assemblies and councils, including the National Union Executive Committee of their locality. Such committees were established in every village and town, with higher representation levels in the province and the republic.

But the active member is, in addition, entitled to be selected as a "selective" member of the local council in whose area he resides.

The Minister of Local Government is given the right to select such members, whose number should not exceed two in the village council, five in the town council and ten in the provincial council. Their term of membership is the same as of the elected members.

The relationship between the National Union and local government is,

however, still more important.

Besides that the National Union Executive Committee of the locality forms the elective element in each local council, which constitutes its

majority, the N. U. E. C. supervises the activities of the local councils. Its members in the council must regularly supply the committee with an account of the council's doing and receive its suggestions. These local councillors are primarily members of the N. U. E. C. Consequently, if a local councillor looses, on any legal ground, his membership of the N. U. E. C., he automatically looses his membership of the local council.

Moreover, the N. U. E. C. serves as a community development centre in its area. Being a direct representative of the local community, it undertakes all minor activities, social and economic, outside the scope of the local authority, thereby fostering community self-help efforts. Projects, actually initiated by these committees within their areas, through voluntary contribution of the citizens, are handed over to the local authorities for maintenance.

19. Although there is a legitimate place for party politics in local government, a sense of proportion must be preserved. Local government should rest on a basis of service, rather than of politics.

However, in order to produce popular participation and control and to strengthen the sense of responsibility to the people, the ultimate aim should be to elect all the members of the council by universal adult suffrage. Although this may be desirable and even necessary, changes to bring about this condition should be effected in evolutionary rather than in revolutionary fashion.

20. There are enough instances already to show that local elections can turn out to have been a merely mechanical process which has not produced the best councillors nor even a representative council, except in name. It is not safe, therefore, to assume that the representative character of local government is ensured by election. In many cases elections have been regarded as an end in themselves, instead of the means to an end. In many cases, although they have been regarded as a means, the end of those seeking election has not been representation but power.

Usually it is said that any defects in the quality of electoral representation will be cured by time and by education. This may be true, provided always that the defects have not in the meantime destroyed the institution. Therefore, special short-term arrangements may be required. As is discussed more fully below, it may be necessary for the central government to arrange courses for training elected councillors and to arrange for the electorate as a whole to be instructed in their rights and duties.

21. Evaluation. The foregoing illustrates some of the problems connected with the establishment of local government. Obviously it constitutes a deliberately creative act and is by no means merely the recognition of an existing state of affairs. It also constitutes an act of vision, for local authorities competent to undertake the work proposed for them cannot just be established everywhere. Obviously the process would be slow. The goal would be clearly laid down in the law, but the method of reaching it could be varied to suit particular conditions. In many developing countries, therefore, the main law does not actually establish the local authorities, nor actually confers powers. This may be done by a subsidiary document which the law enables the government to issue and is called by various names of which "instrument" and "warrant" are the most common ones. In its "instrument" the area, composition and powers of a particular local authority are laid down.

This kind of enabling legislation is of the "slow but sure" kind and is often contrasted with the "sink or swim" kind. The latter, paying no regard to local variations, says that on an appointed day there shall be established local authorities which shall all have such and such powers. What is surprising is, that some governments, particularly in West Africa, having armed themselves with a law allowing selective application, threw away all its advantages. This was done not only by the unselective establishment of too many local authorities too quickly, but also by granting at once to these ill-equipped authorities almost the whole range of permissible powers. Ghana, for example, found itself almost immediately encumbered with almost three hundred local councils with a wide range of powers most of which they were as yet unfit to exercise. In 1959 and 1960, the number of councils was reduced to under 60.1)

- 22. In general, a premium is likely to be placed during what Prof. Macmahon has called the "emergent" stage on the assignment and legal guarantees of the exclusive powers, whereas in the "mature" or "working" stage the trend and proper emphasis is toward a sharing of power, worked out largely on a pragmatic and informal basis. 2)
- 23. The embodiment in the Constitution and/or in statutory laws comes down to the distribution of functions between central and local government. It is noteworthy that this distribution is changing in two contrary directions. On the one hand the successful establishment of responsible local authorities has led to a tendency of transferring services from the central to the local sphere based on the desire to relieve the centre and to develop local responsibilities. On the other hand, there is also a tendency to concentrate more responsibility at the central level.

¹⁾ Cambridge Summer Conference on Local Administration in Africa, 1961. Local Government. Background Paper Group IV, typescript.

²⁾ Ylvisaker, Paul, Some Criteria for a Proper Areal division of governmental powers, in: Area and Power, op. cit., p. 28.

Ch.IV. Legal and administrative provisions to strengthen local government

- 1. Introduction. Apart from the basic laws, various laws enacted by the central government may have the effect to restrict or strengthen local government. A strengthening character possess all those laws, which provide more scope for the local authorities and which make them better able to carry out their tasks. For instance, laws giving the local units a stronger financial position, enabling them to form co-operative or joint authorities. In general, all those laws which are aiming to adept local government to the necessities and possibilities of the present day.
- 2. Amalgamation. It is generally felt that small local units are often less suitable to meet the needs of the present, they are sometimes financially too weak to properly carry out their tasks, while they also lack competent personnel. When the local authorities do not function well, this will necessarily lead to strong central governmental control, in order to bring about that the interests of the people are properly taken care of, while these circumstances force the higher authorities such as provinces and the central government to assume tasks which are usually in the hands of the local authorities.

Therefore, when the central government enacts laws making possible or compulsory amalgamation of local authorities, this may constitute a measure strengthening the position of the local bodies. Some countries have enacted special laws providing for large scale amalgamation schemes, For instance, in 1946, a large scale compulsory amalgamation scheme was enacted in Sweden, which reduced the number of "rural districts" from 2.292 in 1949 to 816 in 1952. This Swedish example was followed in Norway a few years later.

Also in Japan the amalgamation of towns and villages was accelerated throughout the country in accordance with the Law for Expediting the Amalgamation of Town and Villages, dating from October, 1953.

3. However, only a few countries have solved this problem drastically by an overall amalgamation of local units scheme for the whole country. In several countries, such as the Netherlands, a number of municipalities have only gradually been amalgamated. But even then, it seems that amalgamation of local units is often faced with stubborn resistance from local politicians.

In a Canadian report dealing with the large town and the small municipality, it has been observed that "annexation or amalgamation is a surgical operation and offers no assured solution of the problem (sickness) it purports to solve (cure)". The report continues that "save in those few instances where local inertia or other considerations warrant a liquidation of local government prerogatives, every effort should be made to conserve and strengthen local "community" government". 1)

The arguments which are advanced in favour of amalgamation do not, indeed, do away with the fact, that amalgamation may lead to the disruption of long-established political and social affiliations, such as the process of amalgamation of small towns and villages throughout Japan has demonstrated. 2)

¹⁾ The large Town and the Small Municipality, A IULA publication, reports prepared for the Vienna Congress, 1953. (The Hague), p. 60, 61.

²⁾ Japan, p. 15, 16.

It seems that for similar reasons the current opinion in Denmark is diametrically opposed to the idea of municipal amalgamation. 1)

Fortunately, amalgamation can in many cases be avoided by less stringent measures.

4. Co-operation. Another device to overcome the disadvantages of the small local units and to do away with the complaint that they can contribute very little in the way of development, is provided by co-operation among municipalities.

In practically all countries local units have recourse to co-operation for a specific purpose, a co-operation that therefore could be described as "functional". As a rule this co-operation is based on legislative dispositions, but there are also countries where legislation does not concern itself with this subject and where inter-municipal co-operation is accordingly based on the general powers of the municipalities.

Although inter-municipal co-operation represents a means of combating the "weakness" of the small local units, this co-operation is not confined to small municipalities, since it is found between local authorities of various

size,

5. Laws enabling the local authorities to co-operate in the widest sense represent an important way to strengthen their position. Through intermunicipal co-operation the services rendered by the local government can be increased considerably, while the necessity or desire for higher authorities to assume local government tasks is reduced.

Recently many countries have introduced legislations extending the possibilities of municipal co-operation. Joint special boards have been established either for one single purpose, such as the running of a water supply service, an electric power plant or a bus service, or for a wide range of activities.

The forms of these joint boards differ from country to country. They may bear a private law or a public law character. Their powers may differ and may range from advisory to executive or even governing. Also the way in which the co-operating municipalities are represented may vary greatly. But the purpose is always the same, namely to join efforts and economic resources to render better services to the people and to counteract the tendency to have larger government units take over the tasks.

6. In the Netherlands, for instance, inter-municipal co-operation for specific purposes has been resorted to an large scale, especially since 1945

In the majority of cases this co-operation takes place on a voluntary basis, although in certain cases, strictly defined by the law, the state and the province are empowered to force unwilling municipalities to co-operate. This voluntary co-operation may take place (a) according to civil law (so-ciety, foundation, company) in which case only those legal provisions referring to natural persons or bodies corporate apply; (b) according to public law, i.e. in this case the Inter-municipal Co-operation Act of 1950, and prior to that Act the Municipal Act, in so far as no different arrangement was prescribed by a separate law. The municipalities are left comparatively free as regards the choice of form, but the public form should be the

¹⁾ The Large Town and the Small Municipality, op. cit., p. 35.

rule and the civil law form the exception, now that the Inter-municipal Co-

operation Act has opened wide possibilities for the purpose.

The number of municipalities which take part in such an Inter-municipal arrangement varies considerably from case to case. There are instances in which only two co-operate, but there are also a few examples of co-operation which extends over the entire country, involving hundreds of municipalities. Generally, however, the number co-operating is between 2 and 25.

An interesting example of co-operation according to civil law (a case which does not, therefore, fall under the 1950 Act mentioned before) is the Union of Netherlands Municipalities, of which all Netherlands municipalities, without exception, are voluntary members. It is under the auspices of this Union that some interesting examples of public law co-operation have been brought about, e.g. a co-operation which extends over the entire country and which has as its aim the efficient treatment of the affairs of municipal personnel, that is to say, the common settlement of the legal position and the employment conditions of municipal officials. 1)

7. Although inter-municipal co-operation is applied in many cases and with good results, it is not to be denied that this form of administration can have its drawbacks. It is necessary to bear these in mind and to try to discover means of reducing their effects to a minimum. Especially the tendency already existing among technical services to work as far as possible independently of the local government administration, receives a further impulse when inter-municipal services are set up, since these services operate for more than one municipality. In view of this, it is advisable not to allow the number of municipalities involved to become larger than is demanded by complete and efficient maintenance of the service.

Some principles which may be followed in order to alleviate some of

the disadvantages have been pointed out:

- 1. the participating local authorities should have the right to express their opinion in order that their feelings and wishes are taken into account; it is necessary, therefore, that all the co-operating municipalities should be represented in the co-operative governing bodies;
- 2. the discussions and resolutions of the co-operative bodies should take place in public;
- contact must be maintained with the local authorities, especially with the directly-elected municipal council. 2)

8. After the establishment of the state of Israel it was found necessary to secure co-operation between the local authorities and also to maintain common services with a view to improving local government administration in many respects.

For this purpose the Municipal Joint Authorities Act was enacted in 1955. This law enabled several local authorities in a certain region to operate certain services efficiently and economically through a central executive body composed of representatives of these authorities.

This kind of co-operation takes place for vital services such as drainage, water supply, secondary education, hospital and fire services. Special

¹⁾ Ibid., p.152-157.

²⁾ Ibid., p. 27.

orders have been issued by the Minister of the Interior for the purpose of securing the establishment of such joint authorities in various parts of the country. These authorities are not empowered to levy rates directly on the inhabitants of the local authorities concerned. A levy is imposed on each local authority that is a member of the joint authority.

A law to provide for drainage and the prevention of flooding was published in 1957, providing for the establishment of a Drainage Board by an order promulgated by the Minister of Agriculture. Such Boards may include

areas of municipalities, local councils and regional councils.

- 9. In Western Nigeria the Minister of Local Government acts in several ways as a co-ordinating link between the local authorities. When two or more local authorities wish to perform a function jointly, the Minister makes this possible by arranging for them to form a statutory joint board or joint committee. Such a joint board or joint committee is given the same assistance by technical departments of the central government as is provided to local government councils.
- 10. In Korea, the central government co-ordinates the activities of local governments. The central government extends direct guidance to conferences of local administrators by providing various directives and subjects to be covered. The central government authorizes the local governments to make inter-local arrangements for co-operation in dealing with certain matters. For irrigation and education, the Minister of Home Affairs, the Minister of Agriculture and Forestry and the Minister of Education provide such assistance.
- 11. In Vietnam the Presidency of the Republic is the principal agency for co-ordination. The delegates of the government assist the executive in the co-ordination of the activities of the provinces. In case a problem is of concern to many provinces, co-ordination may be assured by the Government Delegate (for political problems) or by the technical department concerned (for irrigation, education, etc.).

In some departments of the Government there are, on an inter-provincial level, divisional offices which are in charge of such things as the co-ordination of the provincial technical services of the area under their responsibility (public works, agricultural credit and co-operatives, recon-

struction and city planning, health, etc.).

12. In Thailand development of inter-local arrangements for such purposes as irrigation, education, law enforcement through the assistance of a central agency is not usually made. These services are sometimes rendered by the various ministries or their field officers.

Indonesia reportedly does not have an agency that assists in the development of inter-local arrangements for such purposes as irrigation, education, etc.

In the Philippines the Office of Local Government, under the Office of

the President, co-ordinates the activities of the local units.

Inter-local arrangements for projects such as irrigation, education and law enforcement are made with the assistance of central agencies like the Division of Irrigation, the Department of Education, etc.

13. In Japan there used to be two kinds of inter-local arrangements, the partial and the whole affairs associations. The whole affairs association was set up for the benefit of weak and small towns and villages. However, as a consequence of the amalgamation scheme referred to above, this institution is not practised any longer.

The partial affairs association - which is not widely used - can be established jointly by prefectures and other local authorities or jointly by cities, towns and villages. When prefectural governments are included, the approval of the Prime Minister is required, in other cases the governor's approval. Usually the initiative is taken by the local authorities, but in special cases the governor may force its establishment in the public interest. 1)

14. Co-operation in the form of associations of municipalities is also known in Belgium. The Act of 1922 permits the municipalities to institute intermunicipal associations for clearly defined purposes in the local interest, in which associations the State, the provinces and even private individuals and societies can participate.

The principal objects of these associations are economic and social matters, such as supply and distribution of gas, electricity and water, the construction of sewerage systems, maternity hospitals, assurance, road works, etc.

Municipalities, too small to carry out alone the ever-growing tasks laid upon them, are given the opportunity to unite their efforts with others in order to achieve a common aim.

It seems, however, that these associations, although rendering important services, are not without considerable drawbacks. Once the municipal councils have nominated their delegates to the association's administrative council, they no longer have any means of direct intervention in their management, which means a certain weakening of their authority to the advantage of an association in which private bodies can participate. 2)

- 15. Measures with a restrictive influence. In the above examples have been given of legal and administrative provisions which can have a strengthening effect on local governments. A restrictive influence, on the other hand, is exercised by all those laws which hamper the development of the local authorities, giving them not much more freedom than that possessed by units of field administration. Such is the case when laws restrict the freedom of action of the local authorities, for instance by leaving too much power in the hands of the central government or by providing too stringent control measures.
- 16. An interesting example of laws which hamper the development of local government is provided by Japan. As was discussed in the country description of that country, affairs can be assigned to the local authorities by law. The local authorities are obligated to execute the functions thus assigned to them by the central government therefore, the term compulsory autonomous functions has been used. The consequence is, however, that although the local authorities are free to administer their own public affairs, such laws bring about that first priority is not given to work which the people themselves consider important, but to these so-called compulsory autonomous functions. 3)

¹⁾ Japan, p.8.

²⁾ The Large Town and the Small Municipality, op. cit., p. 50, 51.

³⁾ Japan, p. 12.

17. The above may serve as an illustration of the numerous instances in which laws and other regulatory and administrative measures can either hamper or invigorate local government. It is submitted, that especially the products of the central legislature testify the general frame of mind of the whole structure of central government. In order, therefore, to produce legislation with a positive effect on local government, the legislature will have to be convinced of the importance of local government - only then will the enacted legislation be directed at strengthening this institution.

Ch.V. Central Agency dealing with local government

1. Since the control and promotion of local government requires detailed and expert work at the center, it seems essential and imperative to establish some form of central organization to foster the relationships between local authorities and the central government. This central agency may take the form of a separate local government ministry, or of a special department or section of a central ministry.

Generally speaking such a local government agency will have two distinct main functions: on the one hand it has to be the advocate of Iocal authorities in the different ministries which have powers regarding local government and on the other hand it has to be the guide and co-ordinator of the local authorities on the problems continually arising and for assembling the experience in the field. To such a central agency dealing with local government should be allocated all those functions concerning local government which do not require specific technical ability. With regard to these technical functions which are dealt with by a specific ministry, it will have to watch that the planned measures sufficiently take into account the rôle which local government has to fulfill. In some newly established countries the development of local government and its rapid progress can be attributed to stimulus by a central agency especially dealing with local government.

2. The relationships between local authorities and the central government can be made more harmonious and effective through such a separate agency. Since the different ministries will have different attitudes towards local government in accordance with the nature of their relationship to the local authorities, a local government agency is useful to reconcile diverging views and policies, while fully aware of the interests of the local authorities. For the same reason it will have to facilitate co-ordination of programmes of national agencies involving local authorities.

The difficulty will be, however, to keep a just balance between those ministries and the central agency especially dealing with local government. For the other ministries with their own responsibilities regarding their own specific functions and tasks, it would be inacceptable to consider this central agency - even if it has the status of a separate Ministry of Local Government - as an organ which could, in any respect, dominate them. This would make the central agency dealing with local government omnipotent. Apart from several other objections, it would place such an agency in a position where it was expected to possess expert knowledge of the different fields which are covered by special ministries such as finance, health, education, etc. On the other hand, it would also be unacceptable if the several ministries with their specific functions, would be authorized to freely lord it over local government. Therefore, the central agency will have to stand up for the rights and interests of the local authorities and to convince the different ministries of the necessity of co-operation with local government units, by explaining and stressing the great value of local government.

3. In general, three lines of contact between the Ministry of Local Government and local government have been pointed out. In the first place, it is the business of the Ministry of Local Government specifically to define the powers and duties of the different local authorities. Secondly, the Ministry of Local Government has the responsibility, in close co-ordination with the financial ministry, to keep a "watching brief" on the whole local budget-

ary process, from the first drafting of the estimates to the final stages of audit. Thirdly, there are great needs and great opportunities for central government to develop continuing means of giving advice and exercising supervision, as is particularly necessary in the early stages of responsible local government. This should be considered primarily an educational service, with no hint of paternalism on the one hand, nor of arbitrary control on the other. 1)

- 4. It appears that a local government department has been established in one ministry or other in many countries in order to centralize local government affairs. In the United Kingdom before 1871, there were various ministries dealing with local government. In that year the Local Government Board was created to centralize local government affairs. In 1919, this Board was discontinued while local government was dealt with by the Ministry of Health, in 1943, by the Ministry of Town and Country Planning. Since then there is the Ministry of Housing and Local Government. At present the title of the Ministry of Housing and Local Government is extended by the words "and Welsh Affairs" to cover his special responsibility for ensuring that adequate account is taken of the Welsh point of view in central government circles.
- 5. As is shown by recent developments in the U.S. the concept of a state agency to provide general consultative services for local government is gaining favour. The Constitution of Alaska provides for the creation of a state department of Local Affairs, adding that the task of the department would be to "advise and assist local government". In Rhode Island a statute was enacted in 1961, creating a Division of Local and Metropolitan Government within the Department of Administration. The new division is directed to:
 - 1. prepare an annual report on local government finances;
 - 2. undertake research on local fiscal matters and on the relationships between the state and local units and among local units;
 - 3. promote uniformity in local budgeting and accounting;
 - 4. work with local government for the improvement of reporting practices;
 - 5. help local communities in the marketing of bond issues;
 - 6. provide local officials with information on all services available from the state and federal governments;
 - 7. work with the governor and legislature on programmes of concern to local governments and help to co-ordinate such state activities;
 - 8. promote in-service training facilities in state governments for local officials;
 - 9. perform the functions formerly vested in the State Board of Tax Equalization.

In a number of states governors and legislative commissions have recommended action to establish some form of agency for the purpose of

¹⁾ Hicks, op. cit., p. 437, 438.

providing technical assistance for local officials on a broad range of problems and creating within the state government an agency which could focus its full attention on local government problems.

In the following the tasks of three such agencies in the U.S. are described to give an impression of the activities of such an agency.

6. In 1959, New York established the Office for Local Government in the Executive Department of the State Government. The office began as a small unit though with broad functions. Already additional duties have been assigned to it by the transfer to the Office of three existing state programmes of special concern to local governments. Present plans to make the Office a separate department of state government indicate the importance attached to it as an agency of the state in the area of state-local relations.

The Office for Local Government functions under the general direction of a nine member Advisory Board which consists of representatives of local governments and of some state agencies which have significant responsibilities for working with local units. The functions of the Office are varied, for in addition to providing assistance to local governments, the office is responsible for assisting the governor in co-ordinating the state programmes of many types which effect local units and for advising the governor with respect to such programmes.

The Act creating the Office for Local Government provides that it shall:

- 1. assist the Governor in co-ordinating the activities of state agencies which effect local governments;
- 2. inform the Governor with respect to problems of local government and assist him in formulating policies for the state to help meet these problems;
- 3. act as a clearinghouse of information for local governments with respect to state and federal services which may be of assistance to local units in their activities;
- 4. refer local officials to state and federal agencies which can assist them in specific programme areas;
- 5. advise local officials in the solution of particular problems;
- 6. make studies of problems confronting local governments and publish and distribute such studies and findings;
- 7. encourage co-operative efforts on the part of local units, particularly in metropolitan areas, to develop solutions to common problems;
- 8. encourage expansion of in-service training programmes for local employees especially those conducted on a cooperative basis for personnel of various units;
- 9. collect information on local public works projects in study; planning or construction phases;
- 10. consult with local officials and organizations of local officials in order to more effectively carry out duties of the Office.

This list of functions shows that the Office is an advisory agency designed to provide a central place of information within the state government as to the problems of local government and the impact of state services on local units.

In none of its activities it supersedes or duplicates the many services available to local units from other agencies; in fact, the act creating the Office contains a specific prohibition against any interference with services of other agencies. The various agencies of state government are authorized to co-operate with the Office and to assist it in carrying out its functions.

The Office is also helpful to obtain support for proposals, and strengthening the probability of favourable action being taken on the bills by the legislature and the governor. It may also help local units to oppose successfully measures which they consider detrimental.

Prior to the 1960 session, the Office reviewed some 25 bills affecting local government which had failed to pass, had been vetoed by the governor, or had caused some problems. In the next session a package of ten bills was submitted and all but one were enacted into law. During the 1960-session, the Office and its Advisory Board acted for the governor in analyzing numerous bills pertaining to local government. While this work is undertaken by the Officer at the request of the Governor, it also is of direct assistance to local units and associations of local officials.

The Office has also yearly sponsored a local government workshop, a three day conference attended by representatives of federal, state and local government, colleges and universities, research agencies, business and labour organizations and others. The workshop has provided an opportunity for the consideration of local government matters in a broad setting. Deliberations in the workshops have suggested guide-lines for the future development and strengthening of local government in the state.

The Office has initiated a series of research projects to gather basic data on matters of concern to local governments and the state, with the objective of improving the ability of local units to meet programme needs.

The Office is planning a bi-weekly newsletter which would include information on new techniques developed by particular local units for the provision of services and on ways in which various units were meeting problems of general concern to local government. A series of handbooks for local officials will also be published.

Of the new programmes assigned to the Office in 1960, is of importance the State Board of Equalization and Assessment. It has profound effects upon local government, because of its impact on local tax structures. The Board carries on a programme for training local assessors. The objective of the programme is to improve the quality of local assessment and thus to strengthen the fiscal structure of local government. The Board is planning to provide advanced courses to further assist assessors in the performances of their duties. 1)

7. The Bureau of Municipal Affairs in Pennsylvania was set up in its present form in the Department of Internal Affairs in 1919. The Bureau has four divisions which deal respectively with city planning and landscape architecture, research and information, local government financial statistics and bonds.

The activities of the Bureau fall into three classes. First it has certain supervisory responsibilities, particularly with respect to local bond issues and debt retirement provisions. Second, it conducts an extensive research and publications programme. Third, it provides technical assistance for local officials.

Much of the technical assistance service of the Bureau is provided through the Division of Research and Information. The Division carries

¹⁾ State Technical Assistance to local governments, op. cit., p. 52-57.

on numerous research studies on matters affecting local government. Recent publications have included reports on intergovernmental co-operation at the local level, tax problems, the organizational structure of local governments and on specific service functions of local units. The Division serves as a clearing house of information for local officials and when necessary refers officials to various agencies of state government for assistance. It also publishes handbooks, guides, and directories for use of local officials. When the legislature is in session a weekly Legislative Bulletin is published to provide local officials with up to date information on pending bills of interest to them. Following the close of a session, a report is published covering acts adopted effecting local government.

The Division of City Planning and Landscape Architecture also provides technical assistance for local officials, such as advising on plans for playgrounds, parks and other recreational facilities, and the selection and

development of sites for public buildings.

Comprehensive statistics on the finances of local units in Pennsylvania are collected by the Division of Local Government Finance Statistics. These are reported on uniform forms prepared with the assistance of the Division. Yearly the Division publishes a detailed report on the revenues, expenditures and indebtedness of local units of government in the state. It also has prepared manuals to assist tax collectors and other local officials concerned with finance matters. The statistical work done by the Division also is utilized in some of the studies made by the Division of Municipal Research.

During legislative sessions, the Bureau holds weekly conferences with representatives of the several associations of local government in the state. Proposed legislation of concern to local governments is considered at these meetings and if possible a consensus is reached with respect to various proposals. Close contact is maintained with the Local Government Commission which consists of ten legislators with the duty of studying problems of local government and recommending means of resolving them. Much of the legislation of concern to local government is introduced each session through the Commission. On occasion the Bureau makes studies for the Commission. It also provides information for the Local Government Conference which is composed of representatives of each of the four local government associations in the state. There is close liaison between the Bureau and the Public Service Institute in the Department of Public Instruction. The Institute is responsible for in-service training programmes for local government officials throughout the state. 1)

8. In 1917, New Jersey first established an agency to supervise municipal accounts. Under one name or another, the agency has continued to exist since that time. Known as the Division of Local Government of which the Local Government Board is a part, it is in the Department of the Treasury.

The Division and the Board have broad powers of fiscal supervision with respect to local government finance. Budget and accounting forms for local units are prescribed by law and all budgets must be submitted to the Division for approval. The Division reviews the budgets not only as to form but also to determine whether they make adequate provisions for items of appropriation required by statute and whether the revenue estimates in the budgets are reasonable. Annual audits of all local units are required.

The Local Government Board exercises even greater powers with respect to the financial operations of local units which have experienced serious

¹⁾ Ibid., p. 58-60.

financial difficulties. The Board also has authority to approve local borrowing beyond statutory debt limits.

Apparently the functions of the Division and the Board are primarily supervisory and controlling than providing technical assistance. However, the Division provides some consultant service for local officials on matters not covered by law or regulation. It also publishes a monthly newsletter for municipal clerks and other local officials which provides information on budget and local finance matters and on new statutes affecting local government. It holds an annual conference for municipal accountants and participates in the annual meeting of the New Jersey League of Municipalities. On occasion the Division makes special studies on matters of general concern to local governments.

The authority of the Board to grant extensions of credit also involves some consultative services for local governments. A municipality wishing an extension of credit submits its application to the Board. In the course of review, the Board may recommend to the municipality changes in the proposed borrowing either as to the amount or method of financing and advice local governments as to desirable practice in this respect.

The statute creating the Board gives it general authority to study the entire field of local government, to advise municipalities and to submit recommendations on the basis of its studies to local government. Apparently, the Board has not exercised this authority except in a very limited manner. However, in its annual reports to the legislature, it has made recommendations on various matters involving local government, as for example, planning and zoning and numerous finance problems. 1)

9. During the Mandatory Administration of Palestine there was no central agency or office dealing specifically with the local authorities. In the end of the Mandat an adviser on local government was appointed, but this function became never of any importance.

In the present state of Israel the ministry generally dealing with local government is the Ministry of the Interior, which has a special division for local government. The division for local government comprises 6 departments, i.e. a department to advise local authorities on finances and budgets, for regional councils and settlements without municipal status, for minorities, for general affairs of municipalities and local councils, for audit and financial supervision, for guidance and training in municipal affairs.

The activities of the department for guidance are especially directed at the smaller local councils and regional councils inhabited by recent immigrants. It organizes regional conferences for discussion and explanation. Also study groups, seminars to which employees of local authorities are invited. They take place in various centres of the country on a regional level. The initiative for these study days comes generally from the central government, which usually pays for the instruction. Besides the Ministry of the Interior, the State Comptroller's Office also fulfills an important task in assisting and guiding the local authorities. It seems that in the development at this point the State Comptroller has attempted to fill an existing vacuum, so that it may be expected that gradually this task may be taken over by the Ministry of the Interior. In practice this trend is already present. 2)

¹⁾ Ibid., p. 58-60.

²⁾ See p. 21 (Report Israel)

10. In Japan it has been described that before World War II local government was controlled by the Ministry of Home Affairs. However, this ministry with its almost unlimited powers in regard to local government was abolished in 1947. A special department attached to the Prime Ministry's office - the Autonomy Agency -, raised in 1960 to Ministry of Autonomy, is now dealing with local government. 1) It should be emphasized here that the views differ whether the creation of this ministry constitutes a sincere promotion of local government, or whether it will mean a rebirth of the abolished Ministry of Home Affairs, i.e. a revival of centralization.

In general, the Ministry of Autonomy has to co-ordinate the relationship between central government and local authorities, as well as to coordinate and to adjust the mutual relationship among local authorities them-

selves.

As its special functions may be mentioned:

- to draw up bills concerning organization, management, finance, taxation, accounts, etc., and to guide their enforcement;
- 2. to carry out research on organization and management problems of local governmental administration;
- 3. to provide general guidance concerning affairs of local authorities, to give advice, to call for reports, to make enquiries, etc.;
- 4. to approve the issuing of bonds and of bye-laws regarding some specific taxes, after consultation of the Ministry of Finance;
- 5. to train local government personnel at the request of the chief executives and other appointing organs of local authorities. A section of the Ministry of Autonomy organizes training courses, theoretical as well as practical, for local public servants, admitted on the recommendation of the respective local authorities. The Ministry of Local Autonomy also acts as a personnel exchange agency between the central government and the local authorities;
- 6. to assist the Prime Minister in regard to local government matters which belong to his exclusive powers, such as public election, alternation of boundaries of local authorities, etc.

Actually the influence of the Ministry of Local Government on local authorities is far greater than only by performing the above mentioned functions. Through its financial policy it essentially controls and directs local authorities as a consequence of the financial dependence of these bodies on the national funds.

With regard to other ministries, dealing more or less with local government, the Ministry of Autonomy has the following functions.

- a. to give the necessary explanations to the relevant ministries on planning, designing or executing such policies which have a bearing on local autonomy and in general to adjust the control of these ministries;
- b. to give its opinion to the relevant ministries regarding drafts

¹⁾ See Japan p. 18-20 and p. 19 for the chart of the organization of the Ministry of Autonomy.

- of laws and ordinances which may cause an increase of expenses of local authorities;
- c. to give the necessary indication to each ministry with regard to orders it intends to issue to the chiefs of local authorities concerning delegated subjects.
- 11. For Ceylon the development of the institution of an Executive Committee of Local Administration and a Department of Local Government under the Commissioner of Local Government as the executive instrument of the Committee in the Ministry of Local Government and Housing was described. 1)

The Ministry of Local Government and Housing is the authority to decide the questions connected with the creation of local authorities, the extension of reduction of their boundaries, the division into wards, etc. He is also empowered to dissolve local councils in special circumstances.

Local authorities usually make use of the services of this ministry or its special Department of Local Government for their contacts with other ministries. On the other hand, these ministries apply to the Department of Local Government for information and advice regarding measures affecting local government.

The Head of the Department of Local Government is the Commissioner of Local Government,

The department gives advice to local authorities regarding their administration and assists them in drafting the necessary subsidiary legislation to perform their duties and functions.

Advice is given to ensure correct accounting procedures and to remedy defects in method and organization. The department steps in and gives constructive suggestions if the financial position or the administrative machinery of any local authority is on the point of deteriorating.

The department reviews the various grants to local authorities. Technical advice is given on constructional works and minor water supply schemes

The general central control exercised by the department is to see that the executives of local authorities perform their duties in accordance with the law.

For implementing the government's housing policy technical assistance is given by the Department of Housing of the Ministry of Local Government and Housing. This department prepares plans for the use and guidance of local authorities in the execution of housing schemes; it prepares specifications and estimates of housing schemes, etc.

12. Rather unique is the interest the federal government of the Indian Union takes in local government institutions. A local government department was set up in the Ministry of Health, and an increasing part was taken in development of local government. The Union government takes a very great interest in seeing that the states actively develop local self-government within their jurisdictions.

In 1954, the formation of a Central Council of Local Self Government was sponsored by the Union. The Minister of Health was chairman and the State Ministers for Local Self Government and panchayats were members. The functions of the Council were primarily to consider and recommend

¹⁾ A chart of the organization of the Ministry of Local Government and Housing is reproduced on p. 15 see for its functions Geylonepol 3 and 114).

broad lines of policy in local self-government matters; to draw up a common programme of action; and to co-ordinate and supply information on local self-government to state governments. In 1956, a conspectus of the whole range of local self-government administration, state by state, was published by the council. In June 1961, a Conference of State Ministers of Community Development and panchayats regarding rural local self-government was held.

Also the Union government is trying to alleviate the lack of funds for development caused by the weakness of state finances, by providing loans

for water supply, drainage, etc.

Since 1959, local self-government institutions in rural areas have been harnessed in the law of rural development. Many have been endowed with extensive additional functions, powers and finances and generally are responsible for all rural development activities. This development has emerged out of the programme of Community Development initiated by the Federal Government in 1952. The new pattern of rural local self-government will be in operation in twelve out of the fifteen States by April 1962. A demand for expansion of the powers of urban local government units (Municipalities) on the same lines as in the rural areas is just developing.

At present, the Ministry of Health of the Federal Government is responsible for urban local government while the Ministry of Community Development and Co-operation is responsible for rural local government. Local government, rural and urban, is a state responsibility and the Union Government works entirely through a system of persuasion and judicious grants-in-aid to the States. The Union Government has been able to influence the states considerably because the Union Government and the State Government are dominated by the same political party - the Indian National Congress - which has adopted decentralization of administration as a major policy.

13. In the Federation of Malaya overall responsibility for local government policy lies at present with the Ministry of the Interior, and forms part of the wide functions of that ministry. The Federal Government, however, is only responsible for ensuring uniformity of law and policy in respect of the subject of local government, while executive power lies with the State Governments.

The Commissioner of Local Government is the principal adviser of the Minister of the Interior and the State Governments on the subject of local government. The post is held by a senior administrative officer in the Government Service with special knowledge and experience of local government matters. He maintains a small office in the Ministry of the Interior, and is responsible for framing and implementing local government development policy under the directions of the minister. He co-operates fully with the State Governments on the execution of local government policy and is freely available to them as an adviser of local government problems. He maintains contact with local authorities through frequent visits and sometimes deals directly with them on policy problems, particulary with the municipal councils and the larger town councils.

The State Governments are responsible executively for local government, and deal with the day-to-day affairs of local authorities with each state. Local authorities derive their existence and status from the State authorities and are directly answerable to them for the efficient discharge of their statutory functions.

Besides the Ministry of the Interior and the Commissioner of Local Government which deal with general policy regarding local government, the following federal agencies deal with aspects of local government: the treasury with federal grants-in-aid, loand funds, etc., the auditor general with audit of accounts and audit reports; the election commission with the conduct of local authority elections; the federation establishment office with advice on personnel and establishment problems; the inspectorate of fire services with the inspection of fire equipment, and training of fire brigade personnel; the information services with information and publicity; the Ministry of Labour and Social Welfare with advice on labour relations; the Ministry of Health with advice on public health measures; the Department of Chemistry with the examination of water, food, drug samples; the Ministry of Education with education matters; the police department with advice on police matters, particularly traffic management; the printing department with printing; road transport department with transport, since some local authorities have their own public transport.

The following state agencies deal with aspects of local government: the state secretariat with general supervision; the legal department with legal advice, drafting of bye-laws, etc.; the public works department with construction of public works; the town and country planning department with town planning and the state treasury with financial advice and facili-

ties.

14. In Egypt 1) a Ministry of Local Government was created in March, 1960, according to the Law of Local Government, with the following objectives:

- 1. to act on behalf of local authorities in expediting the satisfaction of their demands from the technical ministries;
- 2. to act, in concentrated fashion, as the vigilant overseer of all matters relating to local authorities, and the paternal purveyor of supervisory encouragement;
- 3. to fulfill, with its exact knowledge of the circumstances and conditions of all local authorities, the rôle of an impartial distributor of the State's grant-in-aid to the local authorities and of a fair share in the receipts of the common fund to each provincial council. The Minister of Local Government submits his proposals of distribution to the Vice-President for Local Government, who has the final decision;
- 4. to create a balanced co-ordination of the activities of technical ministries towards local authorities, with a view to correct the over-enthousiastic tendency of each ministry to consider its own function as the main field of local competence, thus exhausting the resources and capacity of local authorities, to the detriment of other functions.

The fulfilment of the last mentioned rôle of the Ministry of Local Government was the main reason for the creation of the post of Vice-President for Local Government. The Minister of Local Government could not legally compel his colleagues in the other ministries to act always in the best interests of local authorities. The Vice-President's supervisory competence, however, covers all the ministries concerned with functions delegated to local authorities.

^{1) &}quot;An outline of Local Government in the United Arab Republic", by Dr.. Mohamed Abdullah El-Araby, a study prepared for the U.N. working group on Decentralization for National Development in Geneva, October, 1961, p. 64, 65.

The approval of the Vice-President for Local Government is required in some cases that local authorities impose additional taxes to national taxes.

The exercise by local authorities of their right to impose some particular fees is subject to the approval of the Minister of Local Government, whose decision has to be ratified by the Vice-President for Local Government.

The same holds good with regard to loans which local authorities are

authorized to contract within prescribed limits.

The provincial budget, including the annexed budgets of town and village councils, has to be examined by the Minister of Local Government. He may write into the budgets items of expenditure required by the law, or may remove non-essentials in order to attain equilibrium. But all modifications must be made in consultation with the provincial governor.

15. In the Sudan the Ministry of Local Government is the central organ for promotion, development and supervision of local government in the country. It is the Minister of Local Government who grants more powers to local councils if it appears to him that these powers can be exercised by the local authorities in the public interest. The ministry acts as medium for coordination of work between councils and central government organs. Its advice is readily available to these councils through its specialized departments in the legal, engineering, housing, community development and planning fields. It also ensures that central planning and general government policy is being observed by the local authorities.

At the provincial level the Minister of Local Government is vested with the general responsibility for effecting any policy laid down by the government for the introduction and development of provincial administration. He is also empowered with the consent of the Council of Ministers to make regulations for council procedure, personnel, finance of province administration and other affairs of a general nature.

The Minister of Local Government approves the taxation levels of all local authorities to ensure uniformity and justice to all residents and plays an important rôle in local government finance and its control. He retains the ultimate authority of appointing personnel to supervise and inspect performances of local councils and auditors to audit the accounts and certify the annual balance sheets.

Appointments, terms of service for local government officials are governed by regulations issued by the Minister of Local Government. They include appointment and discharge, allowances and grants, loans, conduct and discipline and post service benefits. The power of appointing chief executive officers lies with the Ministry of Local Government in accordance with the minimum qualifications permitted by regulations. 1)

16. In the Republic of China, Indonesia, the Philippines and Viet-Nam, although the historical and political backgrounds differ considerably, there is no single central government agency to provide services and/or assistance to local governments. 2)

It has been pointed out that "The Office of Local Government" in the Philippines, an office directly placed under the Office of the President,

- 1) Pattern of decentralization in the Republic of the Sudan, by A. Hassan Abdulla, a study prepared for the U. N. working group on Decentralization for National Development in Geneva, October, 1961, p. 10-13.
- 2) Cf. The national reports, Answers to Questionnaire Central Services to Local Government, EROPA (1960).

may be regarded as an attempt to assure that the department concerned "pay attention" to the requests for assistance from the local authorities and the office is therefore likely to act as a "post office" (passing papers from one to another).

17. For Pakistan 1), the Basic Democracies Order, 1959, provides that two provincial development councils, the East Pakistan Development Advisory Council and the West Pakistan Development Advisory Council will be established. These councils will be composed of equal numbers of nominated official and non-official members. The former will include heads of appropriate government departments. On the recommendation of the governor, the President will name the non-official members. Of these at least one third will be chosen from amongst the chairmen of the union councils and committees. The governor of the province shall ex-officio be an official member of the council and its chairman. The provincial development council will not be a corporate body. It will be an executive body, whose function will be advisory. The term of office shall be five years.

The functions of the development councils shall be:

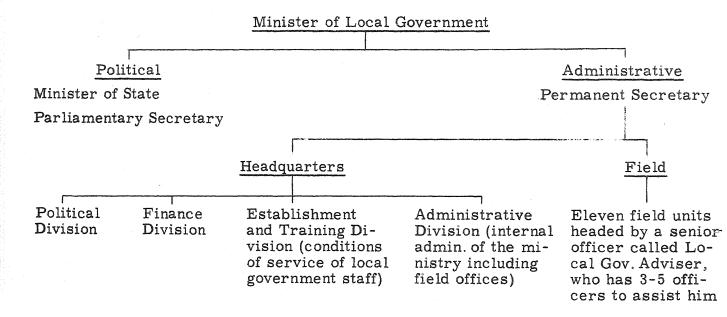
- a. to advise the government on matters pertaining to local councils, local bodies and other authorities in the province:
- b. to advise on the co-ordination of the activities of such councils, bodies and authorities;
- c. to advise on grants to be made to such councils, bodies and authorities:
- d. to advise on matters, pertaining to development and to formulate development plans for such councils, bodies and authorities:
- e. to advise on the establishment and maintenance of institutions for the training of the members and servants of such councils, bodies and authorities;
- f. to promote research in local government and allied subjects;
- g. to organize conferences, seminars and refresher courses, and to disseminate information regarding activities of local councils, local bodies and other local authorities in the province;
- h. to undertake such other functions as may be prescribed.
- 18. The process of establishing a Ministry of Local Government shows an interesting development in stages in East and Central Africa. In the first stage local government is the responsibility of a department with an official for Native Affairs. In the following stage the official becomes a Minister, sometimes called a Minister of Local Government, but the job is done by an administrator. At the final stage of representative government a minister in the normal sense emerges. Even then local government responsibility is usually not immediately freed from other ministerial control, e.g. in the Eastern Region of Nigeria local government long remained the personal interest of the Premier. In Sierra Leone local government affairs are not yet separated from the Ministry of Home Affairs. In Kenya and Central Africa the newly established Ministry was at first only concerned

¹⁾ Op. cit. Masud-Ul-Hasan, p. 215-217.

with European local government. In Kenya the African District councils were put under the wing of the ministry in 1953. In Central Africa this has not yet been completed. In both Uganda and Tanganyika Departments of Native Affairs developed into Ministries of Local Government.

 $\frac{19}{\text{in}}$ Western Nigeria is the Ministry of Local Government. The Minister of Local Government has joint responsibility with the other members of the cabinet for the general policy.

The organization of this ministry is as follows:



A Local Government Service Board comes also within the jurisdiction of the Ministry of Local Government. The board has a chairman and two members and deals with the appointment, posting, promotion and discipline of staff officials earning over £ 345 a year.

The mainwork of the ministry is to see that the local authorities carry out their day to day work according to the provisions of the Local Government Law which is a detailed law touching all aspects of the work of local authorities. It is through the Law that control is exercised by the central government. For instance, a local authority which fails to discharge its functions in spite of all efforts by the field staff to advise and encourage, it can be declared in default under the Law and be dissolved. It is also under the Law that financial control, by way of approval, of the annual estimates by the Ministry of Local Government, is exercised. Recently, the ministry has granted financial autonomy to local authorities judged to be sufficiently responsible to have it. This means that the estimates of such local authorities will not be subject to the scrutiny and approval which the estimates of other local authorities are subjected to.

The Ministry of Local Government plays an important rôle in the preparation of annual budgets. This includes help in planning personnel development and in budgetting for capital expenses of a minor nature, such as building of council offices, small maternity centres, etc. When a major capital work is contemplated, the matter is taken up separately with the appropriate technical ministry. That ministry will refer it to the Ministry

of Local Government, so that local government implications may be considered.

It is noteworthy that the field staff of the ministry are called local government advisors. Their main function is advisory but they also do a certain amount of inspection work and their reports to headquarters enable the ministry to evaluate the work which various local authorities are carrying out and whether the grants which are being paid to them are being used to advantage.

Technical services such as education, medical and health, and social welfare are provided directly by the ministries concerned when there is no new policy involved. If there is a new policy involved, then clearance is first obtained from the Ministry of Local Government.

Other ministries are free to approach local authorities on matters which relate to their own functions. By and large, however, ministries find it advantageous to discuss any scheme which is going to touch the work of local authorities with the staff of the Ministry of Local Government. This enables them to make quite sure that there will be no infringement of rules and regulations and that if a bye-law is necessary, one will readily be approved. 1)

20. Evaluation. It seems that wherever Ministries of Local Government come into being, a profound change is brought about into central-local relations. Local government seems generally to be considered an important portfolio. The mere existence of a ministry to promote, advise and supervise local authorities should (and usually does) make an enormous difference to the atmosphere in which local government grows. However, since the Ministry of Local Government in these countries is a new development, success has to be achieved by strenuous pioneering work. 2)

It is important to realize, however, that the establishment or existence of a Ministry of Local Government or a similar agency mainly looking after the well and woe of local government does not necessarily constitute a measure to strengthen local government. Also a state with a strongly centralized system of government may have such an agency. In this case, however, the activities of this agency may mainly bear a supervisory character, i.e. to keep the local authorities under control and to keep them within the limits of the local government law, while the important tendency and interest to assist and guide the local authorities may be absent.

21. In this connection the development of a department to assist the municipalities in Brazil may be illustrative.

In order to support the municipalities, which were then granted almost complete autonomy, the Constitution of 1934 provided that each state could establish an organ to render technical assistance to these local units. During the Vargas dictatorship (1937-1945) every state had such a department. In the meantime, however, a strongly centralized system of government has been built up, which brought about that the autonomy of the municipalities had been completely revoked. The local government departments of the states confined themselves to control the municipalities.

The Constitution of 1946, restored local autonomy and again allowed the states to set up a technical assistance agency to render services to

¹⁾ J. M. Beckley, Pattern of Decentralization in Western Nigeria, prepared for the U. N. Working Group on Decentralization for National Development in Geneva, October, 1961, p.g. and privately supplied information

²⁾ Hicks, op. cit., p. 434, 435.

the municipalities. Because of the experience, obtained from the former local government departments, the defenders of municipal autonomy strongly opposed the intention of the government. Only half of the states kept their departments, the others abolished them and either discontinued the rendering of assistance entirely, or like São Paulo, distributed the functions of the former department among other agencies, mainly the legal and finance departments.

The existing departments, which now amount to eleven, seem to be conspicious failures, with one or two exceptions. They have neither the personnel nor the right attitude to carry out the intended objectives. They limit themselves to render technical advice on accounting and legal matters, sometimes preparing model ordinances and codes, especially building and tax codes. The departments are seriously lagging behind in their administrative techniques. On the whole, they are ineffective and do not command the confidence nor the respect of most municipalities. 1)

22. The task of the central agency for "servicing" local government is a very important one. If it really desires to promote local government, it will have to be an agency where the interests are properly safeguarded, so that the local authorities will feel naturally inclined to turn to it. On the whole there will have to be a sphere of understanding, confidence, cooperation and interaction. The importance of this attitude is illustrated by the following statement: "Local government will heed central government policies and co-operate effectively if they feel that their local needs are met satisfactorily and with goodwill by the central government. And "goodwill" can only be built up through sufficient and efficient and timely service". 2)

It seems only natural that in those countries which seriously aim to develop and promote local government, an independant agency in the form of a separate Ministry of Local Government is required, which may fully devote itself to its delicate task. When this agency starts as a department within another ministry, there seem to be good reasons to link it to the Ministry of the Interior, as this ministry is usually in charge of the organization and supervision of field units, working side by side with local authorities and often assisting them. It often happens that those field units are gradually being transformed into local authorities which may also be an argument to bring field units and local bodies in one and the same ministry.

Anyhow it will be of great importance that the organ which is centrally responsible for local government in the central government, will be headed by a functionary of a ministerial level, having access to meetings of the cabinet.

23. When examining a central agency dealing with local government, it will be vital to consider closely the character and trend of the activities of such an agency and to determine whether these are really directed at strengthening the local authorities. Even if it is reported that such an agency dealing with local government has the duty to make sure that other departments take notice of the requests for assistance from the local authorities, this function may not constitute more than that of merely passing

¹⁾ D. Lordello de Mello, Services rendered by the federal and state governments at the local level in Brazil, p. 18-20.

²⁾ EROPA.

papers from one agency to the next, what has been called a "post office" function.

When establishing such a central agency dealing with local government, or adapting an existing department, it will be necessary to have a clear picture and realization of the philosophy of central services to local government, in other words, to be clear about the mission of central government towards local government.

Ch. VI. Other Ministries dealing with local government

1. As has already been indicated, the Ministry of Local Government is by no means the only central agency dealing with the local authorities. Among the other ministries usually concerned with local government, should first be mentioned the Ministry of Finance, which has an important say in practically all financial matters. Also the technical ministries, such as health, social welfare, education, labour, agriculture, community development, etc., have dealings with local government.

- 2. In some countries Planning Secretariats (Jamaica, Ceylon) operate in some respects parallel to the Ministry of Local Government and are engaged in similar activities with respect to local government.
- 3. In most countries the technical departments, such as public works, health and agriculture, have staff members working in the field. Some of their activities are closely related with those of local government and can easily interfere with them. The question of division of functions between central and local responsibility in each technical service area is therefore of great importance.

It seems obvious that the various ministries concerned with local government have interests which have to be reconciled, if the best results are to be obtained in local government and if harmonious relations between central and local government are to be brought about. The relationship between central and local government is one of very delicate balance between cooperation and control. A balance which may well vary with the kind of service and with each central ministry-local government relationship.

- 4. It is of vital importance that the central government is aware of this problem of organizing and co-ordinating the central services rendered to local authorities. Better co-ordination of central services is needed in order to minimize delays due to red tape and frustrations arising from dealings with too many institutions. Co-ordination seems also necessary to achieve a proper balance of perspective in determining what kind, when and in what amount or degree central services may be allotted or distributed among the various local units. Co-ordination among local units, on the other hand, will ensure that local projects undertaken autonomously will contribute to a meaningful whole.
- 5. As noted previously, in Brazil, the federal and state governments render a great many services at the local level which ought to be rendered by the theoretically highly autonomous municipalities. 2)

In the field of education and culture, public health, agricultural development, public works, etc., the federal government undertakes many services at the local level, while the states are even more active in a still greater variety of spheres. 3)

Because of the high degree of political and administrative autonomy enjoyed both by the states and the municipalities - which as far as the latter is concerned exists mainly in theory - the relationship between the three

¹⁾ Cf. Lordello de Mello, op. cit., p. 1-10.

²⁾ Ibid., p. 12-17.

levels of government is not that of a central or higher governmental level to its subordinate agencies. Co-operation between the three levels is based on a formal agreement, signed by the governmental units concerned. In actual practice, however, co-operation takes place without the signing of such an agreement. The federal and state governments are at liberty to operate independently, that is to say, without the need to consult or leads to accordance with any of the other government levels, which often leads to wasteful duplication of efforts and even to conflicting policies and actions. 1)

An effective central agency dealing with local government or another co-ordinating agency at high level seems, therefore, badly needed.

- 6. As has been mentioned before in Israel besides the Ministry of the Interior also the Office of the State Comptroller has important dealings with local government. Reportedly the co-operation between the latter and the Ministry of the Interior is intensifying. In order to co-ordinate supervisory activities of the Ministry of the Interior with inspection activities of the State Comptroller, a joint committee of these two offices was set up in 1959. This committee co-ordinates the time table of inspection in every single local authority, determines the spheres of activity of inspection and supervision, so as to obviate duplication and it pools opinions as to matters encountered by the State Comptroller which require the Ministry of the Interior either to intervene or to issue regulations and instructions to all local authorities.
- 7. It seems that Egypt provides a good example of how co-ordination at the central government level can be effectuated. In that country each of the ministries, whose functions were partly delegated to local councils such as education, public health, public utilities and housing, agriculture, social affairs, etc., is bound to provide local councils with general advisory instructions, explaining and elaborating the implementation of national policy as regards that function.

Moreover, each of these ministries, through its inspectors, makes a periodical inspection of how local authorities are discharging their duties. If its inspector discovers gross negligence, illegal behaviour or undue deviation from the general policy, he reports his findings to the local authority concerned, to his own ministry, to the provincial governor and to the Minister of Local Government.

In addition, each of these ministries is required by the law to be responsive to any request made by a local authority for technical assistance or advice.

As has been mentioned before, it is the task of the Minister of Local Government to create a balanced co-ordination of the activities of the technical ministries toward local authorities. Since, however, the Minister of Local Government could not legally compel his colleagues to act always in the best interests of local authorities, the post of Vice President for Local Government has been created, whose supervisory competence covers all the ministries which have delegated functions to local authorities.

8. In Western Nigeria technical services such as education, health and social welfare are provided directly by the ministries concerned. However, it is the task of the Ministry of Local Government to introduce and to ex-

¹⁾ Ibid., p. 25.

plain new policies relating to local government. Although the ministries may approach the local authorities on specific matters directly, it seems to be preferred by these ministries to take up contact with the Ministry of Local Government about measures which effect the local government functions. In this way the chance of infringement of existing rules and regulations is minimized, while good will and co-operation may be expected.

- 9. In Japan, the Ministry of Autonomy provides the necessary explanations to the ministries dealing with matters affecting the local authorities. It keeps the ministries advised about orders which are intended to be issued to the local authorities.
- 10. In India, local government rural and urban is a state responsibility. At the federal level the Ministry of Health is responsible for urban local government, while the Ministry of Community Development and Co-operation is responsible for rural local government.
- 11. It seems to be generally accepted that it is urgent to establish a way to reach co-ordination between the different ministries dealing with Local Government.

In countries where a Ministry of Local Government has been established it seems only natural that the important task of co-ordinating the various central government activities regarding local government is left in the hands of such a ministry.

However, since the form and number of central services to be rendered to local authorities are influenced by the history, tradition, geography and political maturity of the country concerned, each country will have to find its own specific way of creating a practical and workable solution to coordinate these services.

VII. Central assistance in the field of Local Government Finance

1. Introduction. The financial position of the local authority is of the greatest importance. The degree of financial independence of the local authority determines to a large extent the degree of local autonomy. The impoverished state of the finances of most local authorities in the less developed countries is a severe handicap to responsible local government, since the backbone of local government is financial autonomy. Without adequate financial resources, which are independent of the State, the local authorities risk to become mere agents of the central government and elected representation loses much of its point. 1) Authority or competence to undertake functions are useless, unless local units also have financial power or means to undertake the task. Although the central government could supply the necessary funds, this would not mean financial autonomy or financial independence, which are essential prerequisites for local authorities to maintain their autonomous nature. The policy should be to avoid to let local authorities lean unduly on the central government for assistance.

There are great differences in the financial status of local government authorities. The financial basis on which local authorities operate is closely connected with the degree of centralization or decentralization existing in the local government system. Besides, there are differences in the number of functions exercised by the local authorities. It is obvious that those local authorities with a large task have greater financial requirements, but these requirements can be met in different ways.

All over the world local authorities are struggling for a better financial position which will guarantee their independence. 2) In the older established countries local authorities have their major problems in the financial field. Generally speaking, local authorities in developing countries are financially weak and are mostly dependent on means provided by the centre. It is considered the task of the central government to find and keep the balance between its own financial resources and those of the local administrations. Central governmental services concerning local financial matters are, together with those on local personnel, among the most vital ones of all services.

2. Most countries dealt with in the above mentioned IULA publication report a recent increase in local government functions as a consequence of the development of the welfare state. A great number of these functions are compulsory ones which the local authorities are called upon to perform. It is self-evident that the local units will need greater financial resources to fulfill their tasks. Each country solves these problems in its own way. In some countries where local authorities were charged with new functions, it is tried to provide them with more extensive financial means, either by enabling them to levy a greater amount or a greater number of local taxes or by enlarging the amount of grants. The choice between these two main sources of income for the local authorities is dependent on the policy of each country concerned. Some countries consider grants as having a pernicious influence, while others praise the grant as an effective way of cooperation between the central government and the local authorities.

¹⁾ Cf. Chapman, Introduction to French local government, p. 167.

²⁾ For the preparation of this section use has been made of Local Government Finance and its Importance for Local Autonomy, a publication of the IULA, The Hague, 1955.

- 3. The main principle of central government assistance regarding financial matters is equalization of the local units in terms of financial resources and powers. Central and local government must also establish a balance between means and tasks.
- 4. Reportedly in the U.S. technical assistance in the finance field started after the growth of extensive state interest in controlling local finances. The earlier controls were constitutional and statutory tax and debt limits. Later more extensive state efforts to control local fiscal operations included control of local accounting systems, requirements for uniform budgets, review of local assessments, and approval of local indebtness. The task of overseeing local financial activity became a major state function. In some states separate agencies were created to deal specifically with these matters. As state supervision became more widely accepted, unlike what many experts predicted, the states did not take over local financial administration. The states have attempted to provide enough technical assistance to enable local finance officers to effectively carry on their jobs. Direct financial controls have not increased, but rather, devices have been developed gradually to allow local initiative to continue.
- 5. It seems that if local governments are to meet the needs of their community, general regulations are not the answer. The central government can guide the local authorities through greater emphasis on providing local officials with the ability to handle their problems. Probably the greatest general need is for trained personnel who are kept constantly informed of the best ideas in the financial field.

Technical aids such as training programmes, consultation with central government financial experts and frequent contacts between central and local officials are most desirable. Objective studies and reports would also provide valuable information to local governments which have neither the personnel nor the funds for such endeavours. 1)

- 6. Financial Policy. It is clear that diverse and vital services can be rendered to the local authorities in the financial sphere. Especially in this field there is a delicate balance between assisting the local authorities, keeping in tact as far as possible their freedom of action, on the one hand, and a relationship between the central government and the local authorities in which the local authority is a mere agent of the central government, existing for the sole purpose of executing the government's directions in both national and local affairs, on the other hand.
- 7. The central government services in this field may bear all kinds of character. In the first place should be mentioned the fiscal policy with relation to the local authorities. This includes a prudent and sound policy regarding the various possible local taxes, grants-in-aid, loans, investments and other financial interests of the local authorities.

In general, it may be true to state that local bodies should be taxing authorities and should be permitted to choose the rates and to some extent the conditions of their taxes or service charges. They should have power to impose a variety of taxes, which will secure financial stability and will

¹⁾ Cf. State Technical Assistance to Local Governments, op.cit., p.15-23,

- 71 -

enable them to distribute the tax burden more equitably among the inhabitants of the area. These taxes should make expansion of activities possible without continual help from the central government. The connection between the payment of local taxes and the enjoyment of local services is direct and much more convincing to the taxpayer and more stimulating to his interest than the more remote connection in the national budget. Hence in underdeveloped countries local authorities can often more easily assess and collect taxes for their use than the central government can for its purpose. It may be feared, however, that without a certain collaboration between the central government and the local authorities, a larger sum than the individual can afford is demanded.

To minimize conflict with central tax powers and policies it will be necessary for the central government to define the local powers as closely as possible, by assigning to the different tiers their own, clearly defined taxes.

- 8. The methods of taxation prescribed by governments for adoption by local government show considerable variation. Comprehensive study of the several methods which have been adopted throughout the world is well beyond the scope of this study. 1) However, it may be useful to consider the main categories of local taxes.
 - 1. taxes on persons which run all the way from a flat sum poll tax to a progressive income tax;
 - 2. taxes assessed in some way on real estate or other property;
 - 3. taxes on economic activities and on all types of entertainment:
 - 4. indirect taxes, which may fall either on consumption or on production.

It is understandable that a range of possibilities is open to the central government to choose from in order to suit the particular circumstances prevailing in the country concerned. In general it may be remarked that indirect taxes are easier to impose in a community that is largely ignorant of the reasons for taxation and is consequently inclined to resist it. People who would fiercely resist an increase in the poll tax or graduated tax will pay the equivalent in extra cents to the shopkeeper for all the articles that are subject to customs and excise duty, without realizing what they are doing. Widespread illiteracy is an obstacle to direct taxation, in which the reading and filling in of forms and the keeping of accounts is generally of some importance.

In some African countries some instances have occurred that people will simply refuse to pay, if the income tax becomes excessive or is increased too suddenly; the Nigerian and Ghanaian Governments, which have ambitiously raised taxes in order to pay for better social services, have actually had to deal with tax riots. 2)

- 9. It may also be emphasized that it is important for the developing countries to adapt the tax system to the local situation, without following too
- 1) For a more extensive treatment see Hicks, Ursula K., Development from below, Local Government and finance in developing countries of the commonwealth, Oxford, 1961, and the IULA publication Local Government Finance and its Importance for Local Autonomy, opacita
- 2) Wraith, op. cit., p. 200-207

closely the Western example. Problems of all kinds may arise; certain types of tax may be unsuitable to the economy of the developing country concerned. An effective revenue system may have to spread its net over a whole range of available tax resources. Some under-developed areas may lack the more elementary devices such as an accurate system of property description in the country for effective property tax assessment. The system of rating land or buildings may prove complicated and expensive. With respect to income taxation, the administrative shortcomings may be even more serious. In this case the local authorities fix a graduated scale of tax rates to which individuals are assessed on the basis of an estimate of their means made by a local committee. Since in developing countries it is difficult to make an accurate assessment of incomes, simple criteria should be used. In the initial stages it may be best to employ only a few criteria which can be clearly understood. For this system considerable supervision is required in the initial stages in order to educate assessment committees in their responsibility to raise tax. Since the officials and elected members of local authorities must assume this responsibility, they need a certain measure of financial responsibility.

Assystem which gives to local councils the greatest possible measure of freedom to explore certain fields of taxation will be the best method of

developing such a sense of responsibility.

It is apparent from country reports that the various countries have availed themselves of all kinds of local taxes, dependent on their history, tradition and reasons of efficiency.

10. Indian local authorities developed a wide range of taxes on production and consumption. Taxes imposed by the local authorities or by the state government on behalf of the local authorities are for instance tax on markets, vehicles, animals, transfer of property, etc. In Ceylon, local revenue is derived from a local rate based on annual value of immovable property, a land tax, taxes on vehicles and animals, an entertainment tax, trade license and several other fees. 1) Nevertheless, there is a general poverty of local revenue.

In the African territories, however, a personal tax is the backbone of all local taxation, with the exception of the cattle tax in Northern Nigeria. West Africa has no taxes on production or consumption at the local level. In East Africa, on the other hand, in recent years much use is made of produce taxes, known as cesses, or market taxes. Direct taxes on persons, described variously as poll tax, hut tax, general tax, etc., are now the backbone of local autonomous revenue in the rural areas of all territories. 2)

In many countries local bodies obtain fairly substantial incomes from the provision of goods and services. Naturally urban areas have more opportunities to derive revenue from their services than rural areas.

The amount received by licenses is not very great. Often licences reflect local social customs, such as liquor licences and game and fishing licenses.

 $\frac{11}{\text{fiscal}}$ policy aims at developing the financial resources of the local authorities instead of relying too strongly on the provisions of grants-in-aid. In

¹⁾ See Ceylon, p. 23,28.

²⁾ Hicks, op. cit., p. 292-298.

this connection it is interesting that reportedly in the Republic of China "it is deemed more important to develop financial resources than to give grants-in-aid, and to cultivate the ability to run the local government than to render central services".1)

- 12. The central government can also substantially aid the local units by giving timely notice of changes in policy affecting the local authorities' budgets. It is obvious that the local authorities are better able to plan their activities, especially with respect to their development programmes, if they are notified well in advance of the government's financial policies. Also a lack in continuity in fiscal policies causes difficulties to the local authorities.
- 13. In order to establish a conscious and prudent local fiscal policy, examining the various possibilities and weighing the various advantages and disadvantages, diverse institutions such as a University Department, a Union of Local Authorities or a department or section of the central government can render valuable services to local government. In a field like this services in the form of research are extremely important. The central government or other agencies, such as research institutes, could be most helpful by providing competent persons to examine the local situation and by seconding trained people to local authorities to teach property valuation, income assessment, etc.

In Israel, a Bureau for Municipal Research and Statistics was set up in 1959, in order to collect and correlate statistical information on the finances of the local authorities.

This Bureau provides various services such as conducting yearly surveys of the budgets of the local authorities, issuing annual reports on their financial situation on the basis of annual summaries of their income and expenditure and profit and loss accounts.

It also conducts inquiries into the efficiency of municipal operations and it publishes monographs on specific local authorities covering all their municipal activities.

14. Moreover, the central government can co-operate with the local units in the field of taxation and/or of collection by establishing a well-balanced system of taxation for the country as a whole.

In Egypt, for instance, the Land Tax used to be a national tax, assessed and collected by the competent department of the Treasury throughout the country. Up to 1960, it constituted an element in the revenue side of the state budget. The Law of Local Government gave the gross yield of the tax to local authorities: one fourth of this yield to the provincial council for all cultivable area within the province, the remaining three quarters to town and village councils for the cultivable land within their respective areas.

The assessment of a land tax throughout a country, however, is a complicated and costly affair. It requires a precise evaluation of the productivity of each area. To secure equity a uniform tax rate has to be applied all over the country, but to translate this rate into so many pounds on an acre of land, the average product of the area has to be ascertained. Moreover, this operation has to be renewed periodically.

For these reasons, the Law of Local Government has charged the central government with the burden and expense of assessment and collection of the Land Tax, and to hand over its gross yield to each local authority according to its above mentioned share.

¹⁾ EROPA, Central Services to Local Government.

In India, a share of the land tax is distributed by the state government to local authorities, which may be specific, ad hoc or a combination of both.

15. In the U.S., although the property tax is almost a wholly local source of revenue, state governments have become concerned with the administration of the tax. The basis of the property tax is assessment which is conducted largely on a local level. State concern with the proper maintenance of constitutional requirements of assessment at full value has resulted in either state assessment for special classes of property, state supervision and/or state assistance. Most states designate a state agency to exercise "general supervision" over the assessment function. The degree of supervision varies and usually includes requiring reports on property record cards and prescribing forms. More common has been the recent development of technical aid to local assessors. Often these are categorized as supervision, but in fact they fit more appropriately into a technical assistance category.

Generally, the agency concerned is directed to render advice and issue instructions to local officials. State departments publish pamphlets, distribute bulletins and news-letters and issue circular letters which include trends in property values, suggestions for handling problems, values for specific items, relevant court opinions and decisions of attorneys general and analysis of new statutes. Several states publish comprehensive manuals which include instructions to local assessment officials. There is much personal contact between state and local officials in the field and oral advice is common. Another form of assistance is written replies to enquiries. Joint meetings of assessors and tax officials and conferences are held. 1)

16. The local shared tax in Japan is a revision of the prefectural admissions tax and is now collected by the central government. The revenue, however, is mainly distributed among the prefectures in proportion to the population.

Also the local allocation tax is instrumental to the benefit of the local authorities. It is a means of equalizing financial powers of the local authorities, as well as a source of free revenue to assure a minimum standard of administration. The allocations to the local authorities are made by the state out of the revenue of some national taxes, at a regular rate fixed by the law. 2)

17. It is obvious that the raising of taxes by local authorities is difficult when the central government has tapped all the main sources of revenue, while the local authorities are left to explore other sources. In this connection may be mentioned that local authorities could be authorized to add local cess to national taxes.

In Egypt, for instance, there are local additional taxes, levied on certain national taxes, to constitute a Common Fund serving all local authorities. The additional taxes are:

- a. an additional tax of the state Customs Tax. The provincial council, in whose area the state collects a custom tax, is authorized to impose an additional tax which should not exceed 3% of the principal tax. The provincial council is entitled only to half its yield; the other half is deposited in the Common Fund;
- b. an additional tax to the state income tax on stocks and shares. The yield of this tax is treated as under a.;

¹⁾ State Technical Assistance to local governments, op. cit. p. 15-23.

²⁾ See Japn, p. 23.

c. an additional tax to the state income tax on industrial and commercial enterprises. The provincial council in whose area the state collects either or both of these national taxes, is authorized to impose an additional tax to each of them, up to 5% of the principal tax. Up to 10% requires the approval of the Vice President for Local Government; up to 15% requires the approval of the President of the Republic. Here again the provincial authority is entitled only to half the yield of the additional tax, the other half goes to the Common Fund.

The receipts of this Common Fund are distributed to all provincial councils by the Vice President for Local Government, on the basis proposed by the Minister of Local Government, taking into consideration the financial position of each local authority. Each provincial council, in its tern, distributes its portion of the Common Fund on all town and village councils in its area.

- 18. A problem of a quite different nature arises from the fact that local authorities, especially in the developing countries, often avoid imposing taxes for fear of becoming unpopular. It is also observed that they do not always exert themselves sufficiently to collect the taxes already imposed. In these circumstances it may prove to be a safeguard of the local authority if the levy of certain local taxes, with prescribed minimum and maximum rates, is made compulsory by legislation. In this way the central government could render a useful service to local authorities by sharing the responsibility for less popular acts.
- 19. Tax Collection. Besides the policy aspect of local taxation, there remains the field of the collection of taxes. The main methods of collection are:
 - 1. local authorities are responsible for the administration of their own taxes, in addition to the collection of state taxes on commission basis:
 - 2. the state is responsible for the administration of taxes, of the local authority;
 - 3. the administration of local taxes is entirely separate from the administration of state taxes:
 - 4. various mixed forms.

The system whereby local authorities are authorized to collect their own taxes has the advantage of strengthening the autonomy of the local authorities and of making the inhabitants recognize the importance of the rôle of local government. On the other hand, it may cause a serious increase of the cost of tax collection.

In a number of developing countries, however, the local authorities avail themselves of the state machinery for collecting revenue. Apart from the fact that the central government will usually be better equipped, local authorities may prefer to keep away from the hateful job of tax collection and to place the responsibility on the shoulders of the central government.

It may be considered desirable in a developing country to collect the central government tax and the taxes of the local authoritis or those of

the various tiers together as a single demand, by arranging for the collection of all rates involved by one authority at one and the same time, to avoid much trouble and inconvenience. 1) If the government collects its tax first, the local authority may be faced with opposition, evasion or refusal to pay when it demands its tax some time later or vice versa.

In Indonesia, the central government aids the local authorities in the collection of local taxes, when there are no local revenue officials. In this case the local unit gets 90% of the taxes raised, while 10% goes to the Ministry of Finance. 2)

20. Besides taxes other common local sources are receipts from licences, fines, charges, and profits from public enterprises run by the local authorities.

All these local sources of revenue, however, appear to fall short of the wants of the local authorities and have to be supplemented by the central government. This national financial aid consists of grants-in-aid in diverse forms.

21. Grants-in-aid and the policy behind them. It seems that the system of giving grants-in-aid to assist the local authority to perform its functions has developed out of necessity. All over the world the local authorities become increasingly unable to pay for their functions, while the central government burdens them with more numerous and more extensive tasks, creating a moral obligation for the central government to assist the local unit to further the national interests. This tands to reason, since the main sources of revenue, especially through custom duties, etc., are in the hands of the central government.

As countries become more awake to the possibilities of development and especially of development from below, the grant-in-aid becomes an element of growing importance in the relations between central and local government. Since it is apparent that the extent of grants is likely to expand, the central government will render an important service to the local authorities by developing a wise and coherent policy regarding the grants-in-aid.

In most countries the system of grants is highly complicated. 3) Usually there is a distinction between the general grant and the grant for specific purposes, while these special grants may be conditional or unconditional.

¹⁾ Cameron, I.D. and Cooper, B.K., op.cit., p.170.

²⁾ National Report Indonesia, EROPA, 1960.

³⁾ In a Danish report by Kjeld Philip (1946), translated in 1948 under the auspices of the Bureau for research in municipal government of the Harvard Graduate school of public administration, Bestuurswetenschappen, 1956, p. 141-146, the following types of grants have been distinguished:

^{1.} The central government pays a proportion of the actual expenses of local government for certain municipal activities. This seems the most frequent form of grant-in-aid from the central to the local government. In the U.S. this is often called the matching method.

^{2.} The central government pays a fixed sum for certain municipal activities. Such grants-in-aid are also rather common. As a particular form of this type of grant, the central government pays a certain percentage, not of the actual expenses, but of some calculated costs (standard costs) or possibly of the average costs for the whole country.
(footnote continued on page 33)

- 22. In the U.K. the provision of grants by the central government to the local authorities has a long history. The grant is used as an instrument both of stimulus and control. In the first half of the 19th century grants bore the character of specific grants to render particular services. However, later in the century a type of block grant was introduced as a general support to local finance to increase the sense of responsibility of the local authorities. 1)
- 23. There seem to be some principles discernible upon which grants are made, i.e. a system attempting to achieve a balance between stimulus and control and between local progress and equalization. 2) For countries introducing or experimenting with a system of grants it may be important to realize that the essential requirements of the grant system will differ from country to country and in each country from one stage of development to another. To serve the desired purposes, it is necessary for the government to review its grant-system from time to time. 3) On the other hand, the system should be sufficiently stable to provide local authorities with a sound basis for administration and planning of their activities. It seems advisable not to give a greater amount of grant than that which provides the necessary stimulus. Generally speaking, a 100% grant will not provide the real incentive for good management, but will put the local authorities into a position of greater dependence of the central government.

The grant may aim to spread the cost of providing public services as equitably as possible. The councils in the prosperous areas are better placed to raise revenue to support public services than are those in less fortunate areas. Since many of the services rendered by the local authorities are not entirely local, the state has an interest in maintaining their efficiency, such as education and public health. As such it constitutes a partnership between central and local government.

A government endeavouring to maintain services at a national minimum level can achieve this objective by arranging their grant assistance in such a way that the poorer areas get more than the rich ones. 4) The greater the interest of the state in the service, the greater should be the financial aid from the central government. This may be the case with both general and specific grants.

(footnote continued from page 76)

- 3. The central government pays a fixed amount for a particular municipal function. For example, as is the case in some American states, a local government receives a grant-in-aid for school purposes, which grant is calculated as a certain number of dollars per child of school age.
- 4. The central government pays a fixed amount to local government for general administration. The characteristic of these grants is that they are not assigned for a particular purpose. Such grants-in-aid have been used a great deal in England and Wales and are known to a certain extent in Holland. In Scandinavia grants of this type are known, for the most part, as grants to needly local governments.
- 1) Hicks, op. cit., p. 282, 283.
- 2) In the Kjeld Philips report, op. cit., the following motives are distinguished: the encouragement motive, the motive of responsibility, the motive of equalization and the motive of financial and employment policy.
- 3) Hicks, op. cit., p. 410.
- 4) Cameron, I.D. and Cooper, B.K., op.cit., p.138-140.

Especially deficiency grants are meant to bring the poorer local authorities up to a minimum level of income or to ensure that all local authorities of the same tier are financially able to provide certain basic services at a national minimum level. Block grants are intended as a general support to local finance; they may serve, for instance, to cover short falls of taxes of local authorities which have insufficient security reserve.

24. Grants may sometimes be given with the main aim to exercise some control over local administrative standards, in respect of the quality of the service, of the personnel engaged or of the general conduct and lay-out of the local budgets, thus promoting good local housekeeping. The main objective of the grant may also be to stimulate the development of a particular service or the formation of particular types of capital assets.

It is clear that the policy regarding the grant-in-aid and the execution thereof may work in different directions. The danger of providing unconditional grants is that the local authority will be careless in their expenditures. If the unconditional grant is mainly given to the areas with less developed potential there is a danger that, in denying help to the more promising areas, the national economic situation may be injured. Also, stimulating particular services may distort the local budget and retard the development of other services. For instance, in Japan most subsidies, i.e. special purpose grants, are partial, requiring further expenditure by the local authority. In accepting them, local authorities tie up part of their funds, leaving no leeway for other unsubsidized expenditure. The result is that the activities of local authorities are effectively directed by the central government's provision of special purpose grants. According to a recent government report the system of specialized subsidies is one of the main causes of the poor financial conditions of local authorities. 1)

Grants given to stimulate will also tend to act unevenly between authorities, since the poorer ones will not be able to make such a good use of the grant as the richer ones, so that the differences between them tend to be accentuated. Finally, there are political difficulties especially marked in countries which are only learning how to work democratic institutions, which may cause that grants are used for political advantages. 2)

25. With regard to the general grants it is essential that the bases of these grants are as simple and as easily understood as possible. The two principles most easily understood are, on the one hand, origin or derivation (the local authority receives by way of grant a sum based on its relative tax collections) and needs on the other hand. It is clear, however, that it is difficult to define precisely the principle of needs. For reasons of simplicity, in many countries the weighing in block grants is based - with some adjustments - on population. 3)

26. It seems that, besides general grants, all countries make use of some kind of specific grants, i.e. for education, public health, agriculture, surface drainage (Ceylon), etc. Although these grants are of great importance as stimulus of local initiative and action in desired fields they should not be considered as a substitute for block or deficiency grants which serve a different purpose.

¹⁾ See Japan, p.26.

²⁾ Hicks, op. cit., p. 410.

³⁾ Ibid., p.416-419.

As was mentioned above, the special grants may be conditional or unconditional ones. The conditional ones impose certain requirements on the local authorities concerned as a condition of payment. One common example is the shared cost programme, whereby the central government contracts to pay a stipulated share of costs of a specific programme to be undertaken by the local unit. Generally, conditional grants are closely supervised. Unconditional grants are provided "with no stringe attached" and are available for use at the discretion of the local authorities. However, some control can always be exercised when local budgets need the approval of higher authorities.

Unlike many conditional grants, unconditional ones do not directly require additional local expenditures. Unconditional grants can be more easily designed to provide greatest assistance to those areas which have the greatest need.

The central government often supplies specific grants for assistance with the payments of local salaries and for assistance in the provision of capital assets.

Grants-in-aid for the salaries of local government personnel are of great importance for the local budgets in many countries as a result of cost of living bonuses, necessitated by the post-war change in the value of money.

27. Besides a block or general purpose grant based on population and average revenue over a certain period, local authorities in Ceylon receive grants for several special purposes. Of these the main grant is towards payment of cost of living allowances and special living allowance for local government personnel. By this grant the central government underwrites the additional salary costs due to the adoption of national standards. Other important grants are those in lieu of abolished taxes, in lieu of rates on Crown properties and licence duty on motor vehicles. Further grants for maternity and child welfare, for slum clearance, housing and water supply schemes, etc. 1)

In Western Nigeria grants are paid for staff wages, while the education grants consist mainly of 100% of the teachers wages.

28. Assistance in the construction of capital assets is necessitated by the limited possibilities of borrowing granted to the local authorities. 2)

In the Sudan such grants are paid by the central government to local authorities as a contribution towards the initial costs of certain projects at the following percentages:

administrative	buildings	75%
schools		50%
through roads		50%
local roads and drains		33%

The capital grant gives the central government especially good powers of control of the type and quality of new works. The main danger inherent in the provision of capital grants is that they will prove too popular, so that local authorities will undertake works which they cannot maintain adequately. For instance, the Choksey Commission found that this had occurred in respect of village committee roads in Ceylon.

¹⁾ Ceylon, p. 28, 30 and 35, where special attention is given to the short-comings of the prevailing grant system.

See no. 31 supra.

29. An interesting development is noted in the Canadian province Saskatchewan. Although the British North America Act imposes few qualifications on the legislative authority of the province to determine the legal framework within which provincial-local relations take place, the federal government has in the years since 1945 become involved with local authorities through several programmes carried out with the joint participation of federal, provincial and local administrations. In Saskatchewan action by the three levels of government has taken place with respect to hospital construction, vocational training, certain agricultural projects, etc. These activities involve a federal agency making its loans or grants conditional on the local authority maintaining certain standards of performance. Although under most circumstances the provinces have exclusive legislative authority over matters relating directly to local government, they have been willing to share administrative control over local authorities with the federal government and there is every evidence that the number and variety of programmes involving the three levels of government will increase.

The difficulty of these programmes is that they operate to restrict the discretion of the provincial government in determining its policies towards local authorities. Various kinds of restriction on provincial discretion can occur: i. a. the provincial discretion to allocate its revenues may be limited by programmes of matching federal grants. If the federal government announces that it will pay a stated proportion of the costs incurred for a federal-provincial-local programme the local authorities and the general public may exert considerable pressure on the provinces; the federal authorities may demand different standards from the local authorities than the province believes appropriate; the federal authorities may demand as a condition of participation in such a tri-governmental programme that the local authorities be organized in a particular way. 1)

It seems an interesting development that although the province is constitutionally authorized to enact a legal framework within which provincial-local administrative relations take place, the establishment of several programmes involving the three levels of government has enabled the federal government to assist the local authorities, at the same time imposing significant restrictions on the power of the province to supervise and control local authorities.

- 30. The whole problem of grants-in-aid illustrates most clearly the main theme which recurs in the whole financial field, i.e. that it is very difficult and sometimes impossible to say whether certain measures taken by the central government aim to strengthen local government or whether they constitute, possibly disguised, methods of supervision and control.
- 31. Loans and bonds. Practically in all countries the local governments need to raise loans in order to meet the increasing local needs and to speed up development schemes.

In most of the developed countries local governments have the power to borrow directly from the public. As a rule the central government has a smaller or bigger say in this field. In many cases a decision of a local government to raise loans needs the approval (or authorization)of the central government, coupled with some form of supervision.

¹⁾ Provincial-local administrative relations, Saskatchewan, 1961, p. 17-20.

Apart from the supervision by central government or other higher authorities in the matter of raising loans, the central government can render important services in this field by assisting the local authorities in actually obtaining the money at reasonable rates, especially in those instances, where local governments have difficulty in raising loans. In the developing countries local authorities normally look to their governments as their principal source for loan capital and they are encouraged to do so. By making the loans themselves the governments are better able to give direction to the general trend of development and also to exercise closer control than could otherwise be effected by means of the more general supervisory powers over local authorities vested in them by statute. By guaranteeing their loans the central government also renders a service to local authorities.

- 32. In West Africa at first the native authorities for the most part were not allowed to borrow. They were expected to accumulate cash surpluses to finance capital projects. The two main disadvantages were that development was restricted and delayed, because nothing could be done until the capital required had been accumulated. And that a situation was created in which those contributing over the years for the provision of an amenity could count themselves fortunate if they lived long enough to reap the benefits of their savings. Such a restrictive policy virtually prohibited the native authorities to undertake any really major projects. However, with the expansion and extension of local services following the establishment of local government councils, they were encouraged to borrow not only from their governments, but also from other sources, provided they can show that they are in a position to undertake capital improvements and in the long run pay for them. 1)
- 33. In Western Nigeria, local authorities are discouraged from large-scale borrowing from banks and other lending institutions, because of the risk involved. But the central government itself provides in its annual budget a sum of money from which loans at low interest can be made to local authorities. If a local authority has a project which is judged to be economically sound the Minister of Local Government can approve a loan, subject to an agreement to pay over a number of years.

In Egypt, local authorities are authorized to contract loans, but within the following limits: up to 10% of the local authority's ordinary revenue budget requires the sanction of the Minister of Local Government above, 10% up to 20% requires the santion of the Vice President for Local Government, while above 20% the approval is required of the President of the Republic.

In the Sudan, the state functions as the chief source of loans. The central government enables local authorities to get loans, where appropriations in their capital account are not sufficient to meet the cost of capital projects. These loans are repayable in fixed periods depending on the nature of the project and the paying capacity of the local authority which may extend up to 30 years at an annual interest of 4%.

Also in India the state aids the local authorities interested in borrow-

ing funds for major constructions.

Although local authorities in Ceylon, as a rule, can borrow up to ten times of their average annual income, the total amount given by way of

¹⁾ Cameron, I.D. and Cooper, B.K., op. cit., p. 172-174.

loans from the Local Loan and Development Fund to local authorities is far less. In principle local authorities can borrow from sources outside the just mentioned fund, but actually this does not happen, mainly because other lending institutions require a quicker repayment and charge higher rates of interest. 1)

The exercise of borrowing powers of the local authorities needs the sanction of the Minister of Local Government, unless the amounts sought to be borrowed are less than certain prescribed maxima. However, loans do not play an important rôle in strengthening local government finance, since it appears that the central government is reluctant to sanction loans.

In Japan, an authorization system has been established for the floating of bonds to acquire the necessary funds to carry out local government projects. Each bond floatation is adjusted with the annual bond floatation plan. The funds for the purchase of such bonds are secured by the Ministry of Autonomy. Particularly in the case of bonds to be subscribed by the public, the Ministry has established a public enterprise financing bank which underwrites such bonds and extends funds at low rate of interest to local authorities. 2)

34. In the U.S.A. and Canada specialized middlemen on the money and capital market negotiate the sale of "bonds". In Germany, the local authorities have their own savings banks, also acting as credit bank, so that they meet some of their capital requirements from these. In most countries institutional investors (savings banks, insurance societies in the governmental and private sector) are encountered as providers of loans. Credit institutions supplying the needs of all local authorities or part of them are met with in most countries. In Great Britain, the local authorities often apply to the Public Works Loan Board, in Ireland to the Local Loans Fund. Special banks for municipal credit are found in Norway, Turkey, Spain, Belgium, the Netherlands, Austria and Denmark. Sometimes they are set up by the State (Norway); sometimes by inter-municipal co-operation (Belgium, Denmark), sometimes by the State and the local governments together (the Netherlands). 3) In the U.S.A. income from local government loans is exempt from federal income tax, which makes it possible for local authorities to borrow on very advantageous terms.

In Israel, bonds of local authorities are issued jointly, to enable the local authorities to carry out urgent development projects, which were outside the financial scope of the annual development budgets. These bonds are issued with a treasury guarantee, with an interest of $6\frac{1}{2}\%$ and are redeemable during a period of 10 years. In order to ease the financial condition of the local authorities, an agreement was made between the Treasury and the Ministry of the Interior for the prolongation of the period of repayment of the development loans up to 22 years.

35. A point of advantage of central government facilities to local authorities to borrow money may be, that in this way the danger is avoided that several towns seeking individually to raise their own loans compete with each other and thereby raise the rate of interest. Moreover, the central government can co-ordinate the capital needs existing in the country as

¹⁾ Ceylon, p. 30, 35.

²⁾ Japan, p. 28.

³⁾ See the report dealing with municipal credit banks of this study, 3

a whole, and it may provide in its development plans for the requirements of local authorities' loan programme.

36. Debts. An important part of financial stability of the local authorities is the ratio of debt to revenue and expenditures. To guarantee a desirable balance in local financial operations, various requirements governing local debt have been established. The usual devices in the developed countries include general debt limits, constitutional or statutory, and standards for procedure in debt management which may determine the kinds of obligations issued for given purposes.

In the U.S. efforts to foster a meaningful local credit policy adopted by a number of states involved less restrictive provisions and a greater degree of guidance and consultation with localities on debt policies. Local debt consists largely of general obligation bonds, revenue bonds, refunding and special assessment bonds. Less than half of the states review issues in each category. Review is largely a matter of legality and not of reasonableness. North Carolina is the only state which supervises local debt on a compulsory basis and reviews such debt on the basis of the financial adequacy of the locality.

Arizona provides for expert advice on bond retirement procedures on the request of the municipality. In North Carolina and Virginia a state agency handles the sale and distribution of municipal securities. In New Jersy, the local government agency is assigned the task of approving local bond issues above normal limits, thus allowing for more flexibility in state restrictions based on expert review.

This kind of guidance of local financial activity would appear to be considerably more desirable than inflexible constitutional tax and debt limits. 1)

37. Policy regarding Reserves and Investments. The central government can also provide services in respect of the reserves and with relation to investments of the local authorities. In Western Nigeria, for instance, where part of the accruing surplus of local authorities is invested in gilt edge securities, the Ministry of Local Government may advise in making such investment.

However, at present the local authorities seem more concerned with the problem of finding capital to satisfy the large appetite of the present generation for development than in investing their money.

- 38. Accounting. In most developed countries the central government supervises local accounting practices to some degree. Supervision may extend to debt records, inventory records, retirement system records and procedural rules.
- 39. In a limited number of countries the local authorities' accounts are drawn up or approved by the supervisory authority. In Western Nigeria, for instance, a uniform accounting system is laid down by the Ministry of Local Government in a document called "Financial Memoranda". All local government councils are expected to follow this system and council officials are trained in its operation at the training school at headquarters. In addition, field officers of the Ministry of Local Government give advice when

¹⁾ State Technical Assistance to Local Governments. op. cit., p. 19-21.

they go round on inspection. The accounting system includes detailed provisions about the collection of revenue.

40. In the U.S. state aid may involve the preparation of an accounting systems for local adoption or provision for state supervision of the local systems. Schools for local finance officials conducted by state agencies to familiarize them with proper procedures are common in the states which provide such programmes. The installation of state supervised accounting systems is a widely used means of assistance. Under the various programmes for state assistance a variety of other state services may be offered. These include a classification of accounts, accounting forms and record systems, procedural rules and appraisals of accounting procedures.

In a recent study the following objectives are summarized as desirable: minimum standards which allow for flexibility to meet local needs, education of local officials so that they can go beyond minimum requirements and uniform language to be used in all accounting systems. All the recommendations are directed toward the aid concept rather than further supervision. 1)

41. Budgeting. In a number of countries the local budgets are subject to control by higher authorities. In Egypt, for instance, the provincial budget - including the annexed budgets of town-and village councils - is sent to the Minister of Local Government for examination. He may write into the budgets items of expenditure required by the Law, or may remove non-essentials in order to attain equilibrium. But all modifications must be made in consultation with the provincial governor. Once the provincial budget, with the annexed budgets of town and village councils, is finally approved by the Minister of Local Government, it is submitted to the President of the Republic for ratification. Each local authority in executing its budget, proceeds on lines traced, at length and in detail, in financial regulations annex to the Law of Local Government. Inspectors of the Ministry of Finance supervise regularly receipts and payments.

In the Sudan the provincial council is competent to pass budgets of the lower level local authorities.

As was pointed out before, control can, in general, be carried out in different ways and in many cases it constitutes at the same time assistance and guidance to the local authorities concerned. This is illustrated in Western Nigeria where the Ministry of Local Government plays an important rôle in the preparation of annual budgets. Early in the fiscal year the Ministry issues a detailed circular to all councils advising them about the method of preparation and about the time of submission for the Minister's approval. The budget when prepared is first of all submitted to the field officer of the Ministry for scrutiny. He will discuss the details with the Secretary of the Council concerned and make suggestions about form and content. The council may or may not accept the suggestions. If it does, then amendment will be made; if not, then the prepared budget is sent to headquarters with the field officer's comments. Headquarter officials will consider all these and make submission to the Minister for approval or otherwise. The Minister may withhold approval of the whole or a part of a budget pending amendment by the council. Some councils are given financial autonomy if over a period of years they show responsibility in handling their budget and other affairs. In this way they are exempted from ministerial approval.

¹⁾ Mc Millan, T.E. Jr., State Supervision of Municipal Finance, 1953.

42. In Ceylon, the budgets of the local authorities need no approval of higher authorities. They have, however, to be submitted to the Commissioner of Local Government. Annual and supplementary budgets of urban and town councils are subject to the control of the commissioner when in the opinion of the Minister of Local Government, the financial position of the council makes control desirable. Budgets of village committees are normally controlled by the assistant commissioner of local government. Every annual or supplementary budget of the local authorities must be published in the Gazette in the form in which such budget is finally settled and adopted by the council c.q. village committee. 1)

Generally speaking, Japan has no system, at present, of control and approval of local budgets by higher authorities. However, when a local authority which has regular deficits wishes to rehabilitate its financial position with aid of the central government, it should make a "local finance rehabilitation programme", with the approval of the Ministry of Autonomy and prepare its budget in conformity with this programme. Any change in such programme needs the approval of the said ministry when it considers that the financial administration is not compatible with the programme, the ministry may ask to suspend the execution of an overestimated part of the budget or to take other necessary measures. 2)

43. In the U.S. state laws governing the preparation of local budgets are relatively common. To assist localities in meeting state requirements and to improve local budgeting practices various state services or technical aids have been developed. Even in states where no requirements exist, technical assistance is made available. In Vermont the state auditor will consult with the municipalities on budget preparation. In Tennessee, the State Treasurer will supervise the budgeting of cities on request.

Usually a specific state agency is concerned with local budgets. A large number of states prepare budget forms outlining classifications within the budget document for local use. These forms are intended to improve the presentation and content of local budgets.

Devices infrequently used in the U.S. are manuals and directives for the aid of local budget offices. Private and professional agencies have attempted to fill this gap through the publication of such documents themselves.

The need is noted for "an agency which has the facilities for guiding, instructing and supervising those budget officers in need of such guidance."3)

44. There is sometimes a tendency in under-developed countries to emphasize the mere preparation of a well-conceived budget, but the crucial need is to live within the terms of the budget. For this reason the organization and staffing of the financial division of the local administration and, especially, the personnel provided to conduct the budget processes are of the utmost importance, areas in which the central government could render assistance.

¹⁾ Ceylon, p. 30.

²⁾ Japan, p. 28.

³⁾ Mc Millan, T.E., Jr., State Supervision of Municipal Finance, 1953, p. 62.

45. Auditing. A fairly large number of countries reports an audit carried out by a body independent of the local authority. In some countries the audit is carried out by supervisory authorities; in others by a body which is in-

dependent of these authorities as well.

In Egypt, the final auditing of receipts and expenditures is entrusted to the Court of Public Accounts. In Western Nigeria a central audit department combines the work of auditing central government and local authority accounts. For this reason the Ministry of Local Government does not provide services of its own. Its field officers carry out quarterly inspection, however, and this provides an opportunity for rough-checking the accounts.

In the Sudan, the Minister of Local Government retains the ultimate authority of appointing auditors to audit the accounts and certify the annual

balance sheets.

Although the audit itself may be satisfactory, it tends to be so much delayed that as a method of supervision it is often of very limited use. The prerequisite of effective auditing is good accounting and in this field care and guidance on the part of the Ministries of Finance and Local Government

might bring about a great improvement.

Many U.S. states recognize the audit as a useful tool in state-local relations. The Central government auditors attempt to provide the localities with general and useful information and evaluations of their activity with a view toward improvement of services and greater efficiency. Schools for local auditors are being established by a number of states to provide inservice training programmes.

In some cases the auditor or local government inspector, appointed by the Central Government, plays a considerable part by discussing during the audit various matters arising in connection therewith. The local administration officers usually appreciate a personal approach from him and

place high value on any constructive help he can give.

In Finland, Sweden, Denmark and the Netherlands, experts employed by the national unions of local authorities play a rôle. These either assist the board of auditors appointed by the local council or perform the audit themselves at the local council's request.

- 46. In general, especially in the developing countries there is a need for continuing advice and help in the contact between the central government and the local government, which may contribute to building a successful and financially well-founded system of local authorities. For instance, the British Ministries concerned with local government (Ministries of Housing and Local Government, of Health, of Education and the Home Office) produce numerous circulars and advisory pamphlets. The same is true for many other developed countries. If this is found necessary for the developed countries, it is understandable that the need of such educative information is even greater in the newly established countries.
- 47. Reporting. Financial reports generally constitute a part of the audit process. They are in essence an analysis of finances and the basis for judgment of the financial soundness of a community. Adequate preparation of reports demands that certain data be presented under prescribed and accepted form.

Many of the U.S. states require the use of state prescribed forms and supervise municipal reporting. In a large number of states a particular agency is designated to review the reports and supervise their preparation.

Like the audit, a financial report can be a useful tool for improvement of local financial operations. Reports can be a basis for public interest and

awareness of local government and should be prepared in a manner to accomplish this end.

48. Taken together the above examination of the various aspects of - and the difficulties inherent in - the financial relations between central and local governments serves to emphasize the numerous facets of these relationships. It may often be hard or even impossible to correctly evaluate the situation encountered in a specific country. All these relationships may bear an element of service and/or of supervision and control and the decisive weight may often be provided by an informal relationship or a personal approach.

Ch. VIII. Central Assistance in the Field of Local Government Personnel

1. Introduction. Equally important as the financial position of the local authorities in determining the capability of local government is the factor of local personnel. In general, the success of democracy depends to a high degree on the effectiveness and efficiency of local government, while the key is staffing. The change in the tasks carried out by the government in the developed countries both on central and local levels has had a definite effect on the rôle of public personnel. These tasks can no longer be carried out effectively without a well-trained and capable staff. The duties of the officials are becoming more difficult and challenging. The higher officials are forced to use their own discretion and to substitute a careful and more or less independent judgment on the circumstances of particular cases for the former conscientious adherence to rigid and invariable rules. 1)

The developing countries are moving rapidly to a similar concept of public services, more or less skipping the intermediary stages, and are, therefore, more than ever in need of capable personnel, both technical and administrative. The quality of an administrative staff greatly influences the destiny of a nation. This applies the more so to the new states, in which the administrative staff is in fact in charge of all crucial parts of national development.

- 2. It seems therefore of the utmost importance that a great deal of attention is given to staff problems and the quality of public personnel. Beyond doubt the standard of public administration is foremost determined by the general education of its personnel. The central government can render important services by assisting the local authorities to solve their problems of manpower. The personnel problem is a vital one for the development of local governments in newly independent countries. Generally speaking, these countries are confronted with the following major problems:
 - a. critical shortages in the number of qualified personnel, though paradoxially, in some countries there are excesses in the number of staff, mainly from the creation of parallel organizations, especially at the local levels, leading to duplication and overlapping of functions;
 - a special liking for working in the capital city, because of natural attractions, the higher salaries and prestige traditionally attached to work at headquarters, and the lack of amenities, adequate schools, medical and other facilities in rural areas;
 - c. substantially higher salaries, etc., paid to central government than to local authority personnel.

It is obvious, therefore, that many of the local authorities are qualitatively or quantitatively understaffed. In the old established countries the measures taken by the central government regarding local authorities' personnel are usually restricted to matters of payment, appointments, pensions, etc. In the developing countries it may be necessary for the central government to make staff regulations concerning the general conditions of service of local government staff, imposing a number of general conditions of service which the government considers to be both necessary and in the public interest; disciplinary proceedings may be prescribed, 1) Cf. Dawson, The government of Canada, 1957, p. 312.

ministerial approval may be required for appointments to certain senior posts, etc. To ensure political neutrality of the civil servants in the discharge of their duties, the central government may deem it necessary to forbid active participation in political activities by law or regulations, as is the case with many countries.

3. One of the main functions of the Public Services Enquiry Commission appointed by the Burma Government in May, 1960, was to draft appropriate legislation to bring about "an independent civil service, the members of which can be relied on to serve the country faithfully regardless of which political party happens to be in power, and who will be able to resist all attempts to convert them into party adherents".

The Commission therefore recommended that specific statutory provisions in the following terms should be incorporated in the proposed Civil

Services Act:

"No civil servant shall be a member of any political party, or directly, or indirectly assist, promise to assist or request others to assist any political activity, or any management of the affairs of any political party in any election or any political campaign, except to exercise his right as a citizen privately, to express his opinion or to cast a vote."

Moreover, civil servants should be prohibited from resorting to strike as a means of forcing the authorities concerned to meet their demands. 1)

4. Encouragement to take jobs in local government. Especially in the developing countries it may not always be easy to attract the best men to the local government service. For one thing it must be realized that the central government is the main competitor of local authorities for well educated and able recruits. Therefore, the prerequisite of any scheme designed to attract good men into local government service is that councils should offer salaries and general conditions of service not inferior to those offered in respect of comparable appointments in government service.

Since it is generally agreed that the problem of recruiting and training personnel for local government is more difficult than for central government, the latter could assist through encouraging people to take local government jobs. Especially since National institutes of public administration and other central training agencies do not generally give as much attention to the training of local government personnel as to central government personnel, such aid may be of importance.

The central government could also assist the local authorities to overcome their specific problems by enhancing the prestige attached to work in rural areas and, in general, by making conditions in rural areas more attractive and thus narrowing the differences between urban and rural areas. It could be desirable to establish a career system under which young people will start in rural areas, aided in their further professional development, assured of advancement for meritorious services, etc.

In this connection it is interesting that the government of the Republic of China has recently worked out a policy to encourage the elite youth to

¹⁾ Government of the Union of Burma, report of Public Services Enquiry Commission 1961, p. 156-157. Superintendent of Gvt.printing and stationary, Union of Burma, Rangoon.

serve at the basic local administrations. This has greatly improved the caliber of the local employees.

5. Separate Local Civil Service Systems. Practically all countries have a well organized national public service. This does not always apply to a local public service, although the establishment of an efficient and impartial local civil service system may be considered an essential requisite.

Generally, a separate local civil service system can be expected if the responsibilities allocated to local authorities are distinct from those retained by the central government. In this case the central government should assist the local authorities to model their salary structure, etc., more or less upon the national system. Conditions of service, e.g. pay, pension, leave, security of tenure, should be equated regarding posts carrying comparable duties and responsibilities. Posts in the lower grades will present no difficulties, since many of them are directly comparable. As far as senior posts are concerned, it should be possible to equate the posts on the basis of qualifications, etc. In this way a certain degree of uniformity may be obtained.

If each local authority employs its own personnel, the central government might aid the local authority in establishing some forms of standardization by means of uniform statutory provisions.

6. Quite naturally, there are many variations in the degree of uniformity in the local civil service systems of different countries, including the extent of freedom allowed to local authorities.

In the U.K., for instance, there is a uniformity in certain respects, e.g. pay and pension, while the individual local authority is free to employ whom it chooses. This national pattern of grades and remunerations is derived from negotiations between staff organizations and the bodies representing the councils as employers. Certain aspects of their employment are controlled by national legislation, e.g. superannuation and compensation on abolition of office.

In other countries there may be a common career system for personnel of local authorities with authority for hiring, dismissing and other personnel activities vested in a local government public service commission or similar body, while little discretion is allowed to the local authorities.

- 7. In India, the local authorities have partly their own staff, appointed by themselves and entirely subject to their control in all respects. Such posts, however, are comparatively few. Most of their staff belong to a joint cadre for a number of adjacent local authorities, where recruitment and discipline vest in a special agency constituted for the purpose and on which the local authorities may be represented. Posts below the block development officer are generally in this category, though a large number of posts in technical services remain outside.
- 8. In Pakistan there are also two types of servants of local authorities. On the one side principal officers, belonging to the Local Councils Service of the Province, i.e. the heads of various departments under the local council, which will be appointed by the controlling authority and which will be transferable from one local council to another. On the other side officials who hold subordinate positions and are appointed by the local

council itself. The local council may, with the previous sanction of the government, provide for the payment of pensions to its servants after retirement and may grant a special pension or gratuity to the family of any servant who dies of disease or injury contracted or suffered in the discharge of official duties. It may also operate a scheme of social insurance for its employees.

Service rules, such as conditions of service of the servants of local councils, grades of pay, qualifications for various posts, etc., have to be framed by government.

9. Egypt represented a peculiar situation. In that country it were mostly employees of the field agencies, having the status and remuneration of government officials, who were transferred to the service of local authorities. The law of local government of 1960, decided that they will be treated as they were before the transfer, i.e. the laws governing central civil servants will continue to be applied to them as regards status, standard of remuneration and pensionary rights.

There were only a limited number of employees of the old provincial councils and the few former town and village councils with inferior status and remuneration. All of them became at once employees of the new local authorities, and had to work side by side with former government officials enjoying a higher pay. As it was deemed not well possible to discriminate against them, they were given an equal treatment. And since the new local authorities, with their new functions and expanding activities had to appoint new employees, the law had, of sheer necessity, to treat them in the same way.

The result was a heavy burden on the modest budget of the local authorities but this seemed unavoidable, as employees of the same qualifications, working side by side in the same milieu, should be treated on the same basis to prevent administrative inefficiency.

The law, however, looking ahead to the future when this anomalous situation will have disappeared, has authorized the local authorities to make their own rules for recruiting and staffing their services, fixing the rate of pay and other emoluments. These rules, before being put into effect, will have to obtain the prior approval of the Vice President for Local Government.

Open competition is the only method permitted by the law for new appointments. The provincial council advertises its vacancies and those requested to be filled by town and village councils in its area receives applications and holds examinations or delegates a specialized agency, e.g. the Central Bureau of Civil Service, to hold them. Upon the results of these examinations, appointments are made by the provincial governor.

Although the demand for filling a vacancy must be first made by each local authority, it is the provincial governor who is exclusively entitled to issue orders of appointment to all permanent whole-time posts, whether in the services of the provincial council or of town and village councils.

However, for part-time posts the law authorized the chairman of each local authority, after obtaining the permission of this council and the approval of the provincial governor, to fill such posts on a contractual basis. The device of part-time posts enables a local authority, at comparatively small costs, to profit from the ability of professional men who would not contemplate the abondonment of private practice for the modest salaries local authorities can usually offer to pay.

The chairmen of local councils exercise certain hierarchic and disciplinary powers over their councils' staff.

10. According to Barber, UNTAO expert in Public Administration, there is in Libya a rather "co-ordinate" system. Because of the federal constitutional system, there must be a separate civil service system, including rules, recruitment, pay, etc., for each of the treee provinces, as well as the national government. However, there is a strong policy of keeping all four systems as identical as possible. Basic personnel laws are virtually the same, and the four Civil Service Directors meet periodically, and correspond regularly, to keept policies, regulations, and actions uniform. Thus, with no controls or supremacy, all work almost as units of the same system, a method which might prove helpful in other countries.

11. In the Eastern and Western Regions of Nigeria there has been an increasing tendency for the employees of local authorities to belong to a transferable local government service, so that they no longer live at their homes, or even within their own tribal areas. Also an increasing tendency is reported for local and central government staff to "mix up together" and work alongside each other. In such conditions it would seem invidious for terms and conditions to vary, which also becomes less appropriate when the local authorities are gaining in wealth, responsibilities and status. 1)

Where suitable staff is short there are obvious advantages in such a provision of an organized system of alternation and mobility in the public service as between the centre and the local authorities, without the complications of different pay and conditions.

12. At present the staff of local authorities in Western Nigeria are separate and distinct from the civil service of the central government. They are divided into two sections, one of which is referred to as the Unified Service because members of it are centrally employed and can be transferred from one local authority to another according to the discretion of the Local Government Service Board. The other section consists of the more junior staff earning below £ 345 per annum and are not liable to be transferred from one local authority to another. In fact, they do not come within the jurisdiction of the Local Government Service Board at all. Their condition of service are, however, carefully laid down in staff regulations approved by the central government and these include retiring benefits regulations.

The Local Government Service Board came into being only a few years ago and is responsible for the appointment, posting and discipline of the executive grades, e.g. secretaries, treasurers and local education officers all of whom earn £ 345 a year and above. There is a suggestion that the Local Government Service Board should also be responsible for the appointment and discipline of the more junior staff even though in their case, they will not be liable to transfer from local authority to local authority. It is considered that this will make for better discipline and greater efficiency in local government service.

13. Japan has had a national civil service, recruited by examination, since 1887. The National Public Service Law of 1947, administered by the National Personnel Authority contains the rules for the organization of the service, and the general principles regarding the officers and employees belonging to that service. A Local Public Service Personnel Law, closely

¹⁾ Cambridge Summer Conference on Local administration in Africa, Local Government, 1961, typescript.

modelled upon the national system, came into operation in 1950. The service also has two categories, special and regular. Within the special service are the political officers, whose positions are elective, their secretaries and persons holding temporary or part-time jobs, who are not subject to civil service rules. Within the regular service are the administrative officers and employees of all types of locality.

A civil service or personnel commission to attend to affairs concerning the appointment of local government employees and the operation of the personnel administration, has been established on the prefectural level and for the five major cities. Such a commission, for Osaka, for instance, dealing with a total of 34, 365 of city personnel on August 1, 1959, examines and judges actions concerning working conditions of the personnel and adopts necessary measures; it reviews, adverse actions taken against the personnel upon request; it makes a continuous study on compensation of the personnel and submits the findings to the mayor and other appointing authorities; it makes recommendations to the assembly on the enactment. amendment or abolition of regulations concerning the personnel; it formulates plans concerning the position classification; watches observance of the legal labour standards and deals with the registration of the personnel organizations. It is composed of three members appointed by the mayor with the approval of the assembly from among persons possessing knowledge and experience concerning personnel administration. Its term of office is four years.

In a city having a population of over 150,000 a civil service commission can be established by its bye-law. In the cities, towns with a population under 150,000 and villages which have no personnel commissions, equity commissions, i.e. personnel commissions with limited functions, are established. 1)

Personnel commissions perform the normal functions of civil service administration, training, conduct of examination, etc.

Appointments and promotions are made from eligibility lists compiled on the basis of ability determined by competitive examinations, records of performance and other evidence. Competitive examination is required unless the relevant personnel commission authorizes selection upon other criteria only. By arrangement with the National Personnel Authority, or other national or local agencies, a local personnel commission may obtain collaboration in the examination or selection process or may delegate the examination power to another agency. Similarly a local commission may list eligibles from among examinees successful in a national or another local competition.

Salaries and other conditions of employment also are set by local byelaws, with due consideration of living costs, and of the compensation received in the national service, other local systems and private enterprise. The actual condition of local public officers' salaries and allowances, according to a survey, was not always impartial and clear. Employees are under the same restrictions as national civil servants with regard to political activities within the locality of their service.

Officers and employees may belong to political parties and may vote in party elections. But they may not be party officers or advisors or participate in political campaigns or other activities of parties. They are not allowed to hold positions of authority or influence in a business concern. They may be members of employee organizations, and these organizations may "negotiate" with governmental agencies, but they are expressly denied the right of collective bargaining. Personnel of the police, fire services

¹⁾ See Japan, p. 29-32.

and some other boards, are prohibited from joining employee organizations. All public service members are denied the right to strike and to engage in actions tending to provoke a strike or to impede the operations of government.

Restrained from the methods of unionism, employees and their associations are reduced to the right to "make requests to the Authority that appropriate administrative action be accorded by it or by the head of an employing agency relative to salary, wages or any of the working conditions". Requests must be investigated but need not to be acted upon.

- 14. Most local governments in the U.S.A. lack genuine personnel systems covering all employees. Appointments to many positions are political; often only local residents are eligible for employment. Three exceptions are to be noted. City managers move from city to city as professionals and have their professional association. The Federal Government requires merit system recruitment of those state and local employees that are paid in part with federal grant-in-aid funds for such programmes as highways, public health, etc. Technically competent personnel have become increasingly essential for adequate performance of some state and local functions. This fact has stimulated the hiring of professionally qualified persons, even in the absence of formal civil service requirements. 1)
- 15. Unified Local Government Service. A country may find it necessary in order to establish an efficient local government service in the shortest possible time, to establish a unified local government service. The most common form is the one in which, although the councils continue to be responsible for the payment of all their staffs, certain senior posts on the council's establishment are declared by law to be senior posts, the holders of which are appointed to a unified local government service and are subject to an independent board in respect of appointment, posting and discipline. In general, a local government service board is not subject to any form of control by local government councils and is given full powers to:
 - a. make appointments to posts in the unified local government service;
 - b. transfer members of the unified local government service between posts in that service;
 - c. exercise disciplinary control over members of the unified government service. 2)

Such a unified local government service would certainly do away with the prevailing parochial attitudes, causing a lack of flexibility in transfers, causing considerable discontent in the local government service and discouraging the most promising recruits. It seems that by thus surrendering some of their responsibilities in regard to superior posts, the local authorities may enjoy the services of an independent board which may engender confidence not only in the local government councils themselves, but also among the members of the local government staffs, who on entering the unified local government service are assured of prospects no longer fettered by the limitations of individual local councils.

¹⁾ Patterns of Decentralization in the U.S.A., prepared for the U.S.Working Group on Administrative Aspects of Decentralization for National Development, in Geneva, October 1961, by James W. Fesler, Yale University.

²⁾ Cameron I.D., and Cooper, B.K., op. cit., p. 103-121.

In a unified local government service the members have the possibility of being advanced to the most senior posts in the largest local authorities of the country, posts which carry responsibilities, pay and stature, comparable to the highest posts in the national service. Although such a system represents a form of rigid central government control over staffing, it seems that it has many practical advantages and the creation of such a service is probably most essential towards the solution of local joint personnel problems, especially in the intermediate stages of local government development.

A similar type of system could be set up through joint action of cooperating local authorities.

16. In Ceylon, prior to 1946, the local authorities had complete control over their employees. The local authorities recruited their own staff and determined their own salary scales. This resulted in a diversity of service conditions, which varied considerably even in local authorities of the same type or status.

Since there were many complaints concerning the unsatisfactory methods of recruitment, promotion and dismissal of employees in the service of local authorities, it was attempted to improve the prospects, conditions of service and efficiency of the employees in the local authorities. As a consequence the Local Government Service Ordinance was enacted in 1945, which established a local government service to which all officers and servants on duty of local authorities immediately prior to April 1,1946, were transferred. A local government service commission was established with the commissioner of local government as ex-officio chairman and 8 other nominated members, representing various organizations. In this commission are vested full powers with connection to the recruitment, conditions of employment, appointments, promotions, transfers, dismissals and other matters connected with the administration and discipline of the service.

The members of the service are in a unified transferable service, subject to the condition that those recruited on an area basis are transferable within that area only.

Quite apart from the unified local government service stands a public service for central government officials, headed by a public service commission. Officers belonging to this public service can be loaned to local authorities for special purposes. Both commissions act closely together. 1)

17. Stimulating Awareness of General Principles of Public Administration. Since good public administration is one of the most decisive requisites for success in local government, it seems of importance that the national government should give as much attention as possible to the improvement of local public administration.

The fact that the modernization and improvement of economic and social institutions go hand in hand with the modernization and improvement of public administration, is a problem universally recognized. It has become apparent that countries with a more developed administrative system find their existing administrative machinery insufficient to cope with their tasks, when faced with the introduction of wholesale programmes of economic or social betterment. 2) It is, therefore, self-evident that those

1) See Ceylon, p. 32-34.

²⁾ Cf. August O. Spain, Arnold Foundation Monographs, Political and Social Problems of Public Administration in under-developed areas,

countries which have only just entered upon their journey towards economic and social progress will be confronted with problems of even greater magnitude than those countries which are already highly developed.

18. In these countries the national governments have undertaken vast and comprehensive economic and social development programmes. The central governments had to assume many tasks in the economic field, since private firms capable of playing an important rôle in development programmes were usually lacking. Such a situation places a very large responsibility on government and administration as, in the final resort, the welfare of the people is almost entirely in their hands. Therefore, a proportionately very high number of public servants is required to equip the many governmental departments and services, at the central, provincial and local levels.

The growing tasks of the governmental machinery and the need for rapid economic and social development necessitate the existence of well-trained and scrupulous public servants. 1)

19. When considering and evaluating the criteria of sound public administration it is of importance to be aware of the differences between developing and developed countries. There are differences in traditions, culture and institutions as well as in their administrative and political heritage which in most cases has not been democratic. Moreover, there are differences in resources, both human and material, in mental make up of the citizens, especially as regards receptivity to change and the will to bring this about, in the sense of priorities and values of life. 2)

One of the principal characteristics of developing countries is the imbalance between aspirations and needs on the one hand and material advancement and administrative maturity on the other. The problems of developing countries related to public administration are primarily problems of transition: i.e. from semi-feudal and traditional to more responsible and rational forms of administration, from an agricultural and extractive economy to an economy of industry and trade, from a colonial regime conducted by foreigners to a national government. The pace and circumstances of such a transition may vary considerably from area to area. In certain cases revolutionary changes may create a climate conducive to wholesale reform, whereas in others a slower and more evolutionary process may be taking place.

20. It may be doubtful whether a developing country is in need of advanced concepts and practices of public administration. Some under-developed countries may do better with less complicated standards of administration. Effective administration should adapt itself to the life of the nation concerned. The specific administrative devices which can be selected from the several alternatives offered by the growing body of modern administrative experience should be attuned to the cultural, economic, social and political characteristics of the under-developed countries. Possibly some appreciable success in achieving higher levels of material well-being, may have to precede good public administration. It may be necessary to improve the

¹⁾ Cf. The Study and Teaching of Public Administration by A. F. Leemans, typescript, 1961.

Iqbal Narain, The Indian Journal of Public Administration. A fundamental approach to the administration of the rural community development programme, July-September, 1959, Vol. V., No. 3, p. 284.

economic situation of the country, before it can afford the luxury of an advanced system of public administration.

- 21. According to the Committee which compiled the Standards and Techniques in Public Administration Report, there seem to be some fundamental requirements for the improvement of any system of public administration both on the national and the local level, such as the attainment of governmental stability, public order and the rule of law. On the other hand, the successful achievement of some degree of administrative improvement under adverse political circumstances may in itself contribute to an increase of public interest and establish the beginning of greater political stability and administrative impartiality. Taken as a whole, however, public order, stability and justice are not only indispensable to, but also fundamental objectives of, an effective system of public administration. 1)
- 22. Although there are numerous devices and methods used in a sound administrative system, there are certain broad categories of administrative problems and applicable principles that are more or less common to most systems of administration. Among the most important and generally relevant of these are: governmental organization and public personnel.

The importance of a sound governmental organization is demonstrated by the experience of the new countries seeking immediate results in accomplishing development and welfare programmes without having established a proper governmental structure.

Also matters like the organization of central government departments are of importance. Co-ordination among the various departments should be a matter of special interest in the underdeveloped countries where a lack of a tradition of integral functioning and fear of incursions into each others field of authority tend to emphasize vertical subdivisions.

23. Therefore, it is of the utmost importance that general principles of public administration and the public service are taught. The quality of public administration is in a large measure determined by the devotion, ability and integrity of public personnel. The most serious defects in administration are frequently those arising from inferior personnel practices. An effective personnel administrative policy calls for essentials such as: selection on the basis of merit, security in office (if a man knows he is likely to be retired after a few months, he may "try to make hay whilst the sun shines"), a proper classification of positions, adequate emoluments, retirement schemes and conditions, proper supervision, honesty at the top, both in respect of senior public servants and of politicians (for if such are dishonest, their subordinates will follow their example. 2)

The merit principle should govern selection for as wide a range of public positions as feasible, the entire public service if possible. The strength of the public service will depend on the widespread understanding that, in practice, the normal way to get a government job is to be the best man available. The techniques of merit selection may have to differ in various

¹⁾ Standards and Techniques of Public Administration - with special reference to Technical Assistance to underdeveloped countries, 1951, p. 5.

²⁾ Cf. W.D. Reeve, Public Administration in Siam, London and New York, 1951.

areas. In underdeveloped countries particularly there may be so few candidates who deem themselves at all qualified to apply, that a competitive system of selection would be completely inappropriate. However, the recruitment system of selection should strive toward the merit principle and must leave no room for personal favouritism and nepotism, factors which may complicate the realization of a sound approach toward public personnel problems. 1)

24. Selection. One of the most fundamental problems is recruitment. Since candidates must be selected soon after they have left school, their educational record may give no guidance on their capacity of leadership. A possible solution is provided by the test-courses offered by Man of War Bay in Nigeria and the Outward Bound School on the slopes of Kilimanjaro which provides a similar service for East Africa. These courses are quite short - a few weeks - and endurance, enterprise and a wide range of capacities are tested under tough conditions. It is significant that these courses are not only used by the government, but also by large firms in order to get an independent check upon those who may be promoted to positions of responsibility. 2)

25. Training. Since the quality of the administrative staff in developing countries is such an important factor one of the first matters of concern in the local personnel programmes of these countries may have to be the technical preparation and the general education of the local government service.

Training in public administration should, of course, prepare people both for the central and local levels and will increase the general knowledge of relations and problems in the local government sphere. If there grows awareness that if local government is to attract good men to its service, they must be able to provide reasonable security and assurance and if general concepts like the relations between staff and councillors and the duties of these people are better understood, this will further the establishment and growth of local government to an important degree.

This training may be provided by various centres such as a University Department or other institutes concerned with public administration and government and can take diverse forms. It seems that in general the concept of an Institute of Public Administration has been regarded as a very practical solution. Such an institution may be located within the governmental structure, affiliated to a university or set up as an autonomous body. It should be free to advocate administrative improvements and reforms and to promote professional and public interest in rational methods of administration.

26. There seem to be three main types of training usually resorted to. First pre-entry training when the candidate is trained before he is allowed to enter service at all. Secondly, candidates may be accepted by means of competitive examination or by nomination. Once accepted they may be trained full time or part time in a state institution. Thirdly, training on the job, or in-service training, which may become increasingly usable in the de-

¹⁾ Tinker, op. cit., p. 10, 11.

²⁾ Cf. Hicks, op. cit., p. 532-534.

veloping countries. Not only is this type of training often the most valuable, but it is also the cheapest and most economical especially where trained staff is short. For instance, when a government advisor is seconded to a local authority, it is natural that an important part of his activities should consist of the training of those with whom he works. For already established officials this training may take the form of refresher courses to bring them into touch with other public activities and to give them the opportunity of re-examining themselves and their work in a dispassionate atmosphere.

- 27. An important development in training arrangements is reported in the Western Region of Nigeria. The aim is to "produce a system under which facilities for training will be available throughout an officers' career, so that he can enter at the lowest level and equip himself for promotion to the highest posts". It is intended to recruit at school certificate level for a three-year probationary appointment, at some stage of which the officer would undergo an intensive six-week course. After further service of some five years selected officers would go for six months to a course in a college run by the Ministry of Local Government which would replace the present longer course at Niger College. Successful candidates would become eligible for permanent appointment as secretaries or treasurers of all councils except the largest. After experience in these senior posts outstanding officers would be given an opportunity to study for the high-grade professional examinations which would qualify them for promotion to the highest jobs in the service. The result of such a graduated training would be to produce a staff which would be well educated and practically expert and which would have an esprit de corps with a moral effect on its members. 1)
- 28. As it is more and more generally accepted also in the developed countries that local government personnel may well need further training, it is of interest that a need for training in public administration, closely related to the increasing activities of the modern state, is universally experienced. All over the world schools and training programmes have been established to solve this problem. In the U.S., for instance, there has been a widespread and conscious attempt, which has grown in strength since World War II, to improve both federal, state and municipal or local administration by means of training programmes.
- 29. In India, the Federal Ministry of Community Development, in co-operation with the State Governments, has also an extensive training programme, both for the elected officials in the various local authorities as also for career appointees. The programme of training at higher levels is fairly well established, but the training schemes for the elected members of panchayats and panchayat samities are being gradually developed.
- 30. In Rajasthan, one of the many Indian states, the need for adequate training of both officials and non-officials in the basic principles, objectives and main features of the scheme and the manner in which it would be implemented was recognized and a comprehensive programme of training for about six months before the scheme came into operation (October, 1959) was launched.

¹⁾ Hicks, op. cit., p. 537.

The Sarpanchas of the panchayat who were to be ex-officio members of the panchayats were given a week's training to prepare them for shouldering responsibility. Those who were to train the Sarpanchas, were brought together in a camp of a week's duration. The training provided to these trainers was on the seminar pattern, where distinguished people were invited to talk and discuss the various aspects of the scheme which they will be called upon to explain to the Sarpanchas and prepare them for discharging their duties as members of democratic institutions responsible for the development of the area in a responsive manner.

It was also considered essential that the people at large should be made aware of the revolutionary change that would be brought about with the establishment of these bodies. With this end in view several schemes were

undertaken.

- 1. About 2,500 people (officials and non-officials) were trained in a short course to explain to the people the important features of the new scheme and the responsibility that was going to devolve on them and their representatives. Each worker covered about 10 villages, thus roughly 25,000 out of 31,700 villages in the State:
- 2. parties of village artists were trained to stage dramas specially prepared for the purpose;
- 3. parties of puppetiers were specially trained to give performances in the traditional style of puppet plays on themes, bearing on the scheme;
- 4. the age old custom of Pandits, giving religious discourses in the evening in villages to the village population was also made use of. Themes were prepared based on religious epics emphasizing the democratic way of life and deciding their affairs by mutual consent, which proved popular.

It is estimated that about 40 to 50% of the population in rural areas was covered by these means.

A regular training of the members of the panchayats has now been undertaken at 5 permanent institutions. This training will be of a general character meant to inculcate in the members wider outlook, respect for democracy and democratic way of life and to indicate to them the qualities of leadership of democratic character as also the advantages of taking decisions on the basis of mutual consideration.

Provision has also been made to give subject matter training in agriculture, animal husbandry and co-operation to those of the members who desire greater knowledge on these subjects.

Periodical conferences are being held at the district and divisional levels to review the working of the local bodies and resolving difficulties and removing defects in their working. 1)

 $\overline{31}$. It is significant in this connection, that a recent report stated that most \overline{U} . S. local governments cannot themselves adequately provide for advanced personnel systems and practices. If they are to develop their personnel services to the degree necessary under the pressure of modern conditions and demands, they must have outside assistance. 2) If this is the case for

^{1) &}quot;Panchayati Raj in Rajasthan".

²⁾ State Technical Assistance to Local Governments, op.cit. p. 37-38.

the U.S. and other developed countries, it is understandable that it is even more true for the developing ones.

- 32. In the U.S. a variety of devices have been developed for state assistance to localities in personnel matters. These range from complete state administration of the personnel system to technical advice provided by state experts to interested local officials. Little seems to have been done in the field of in-service training. Some state universities, as for example, North Carolina, have assisted in the development of pre-entry and in-service training.
- 33. The U.N. Economic and Social Council recommended in July 1950, that "additional activities undertaken in the field of training in public administration at the request of Member Governments should be considered under the Expanded Programme of Technical Assistance". This programme provided fellowships and scholarships for civil servants of Member States to train them in specialized fields of public administration, seminars on the problems of public administration, and programmes for the development or improvement of national institutions offering training courses in public administration. It became apparent that "the golden rule in this field of technical assistance is that there are no golden rules. What will succeed in one country may have no chance of success in another, an innovation which solves the difficulties of one administration might only add to the difficulties of another". 1)

National and regional schemes became a regular feature of the programme of technical assistance and in October 1953, the General Assembly recognized "the increasingly important rôle of governmental administration in programmes for the promotion of economic and social welfare". 2)

Technical assistance of this character is not, of course, restricted to the United Nations. The bilateral programmes contain successful and interesting projects in this field. Nor are developments in administrative training over the last ten to fifteen years to be found only in technical aid programmes.

34. Training Institutes. The development of systematic and large-scale training institutions in public administration is a post-war phenomenon. Some of the academic programmes in the U.S. are of a pre-war origin, studies in Europe are a relatively recent development. Elsewhere in the world institutions for administrative study are new creations.

This increasing interest in public administration has resulted in the establishment of the Ecole Nationale d'Administration in France in 1946; of the Hochschule für Verwaltungswissenschaften in West Germany; of similar institutes in India and Pakistan and in various African countries, while in Canada and Australia training programmes were instituted. The opening of the Administrative Staff College at Henly-on-Thames in England in 1945, and the initiation of international administrative courses at the School of Social Studies at The Hague demonstrate the same trend.

Under the U.N. Technical Assistance programme Institutes for Public Administration or other projects for the study of Public Administration

¹⁾ F.J. Tickner, The improvement of public administration, U.N. Review, Sept. 1955, Vol. II, 3, p. 50.

²⁾ Training in Public Administration, U.N., New York, 1958, p.1.

have been created and developed in the Middle East, Latin America and in Southeast Asia.

35. The developing countries have realized that a proper teaching of public administration, including local government, is the heart of a good and adequate public administration. Various African countries report the recent establishment of various training institutions for local government, e.g. a Local Government Training School in Ghana, an Institute of Administration in Northern Nigeria, a Local Government Training School in Western Nigeria, a Native Authorities Development Centre in Northern Rhodesia, and Training Centres in Tanganyika and Uganda. 1)

It is interesting that of the African countries reporting that the size of their local government does not warrant the establishment of such a training institution, some report the usage of on-the-job or in-service training and/or the use of training facilities of other African countries, e.g. the Institute of Administration at Zaria (Northern Nigeria) which welcomes the participation of a small admixture of students from outside Nigeria as of great benefit to all concerned. Most African territorial governments are now examining these schools with a view to their extension and improvement. Already in the past these schools did most valuable work especially in bringing together members of local government staff and members of councils from often remote isolation to discuss their problems with one another under the supervision and guidance of a more experienced administrator. 2)

- 36. The Advanced School for Public Administration in Central America is an in-service training center which is operated jointly by the six Governments of Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama). It provides short courses in public administration and conducts annually several seminars on administration in special fields for top and middle level personnel in the region. The United Nations helped to establish the School in 1954, and continues to provide assistance in the form of fellowships and the services of several members of the faculty. The six Governments contribute to the support of the School and control its functioning through a Board on which each is represented. 3)
- 37. The Institute in Cairo organizes ten-months courses for civil servants, most of whom are graduated from Egyptian universities. Such training had a direct effect on the research in, and practical application of, principles of public administration, as Organization and Method units have been established in each Ministry. Members of these units are recruited from among civil servants who hold a diploma from the Institute.
- 38. In Brazil the Brazilian School of Public Administration of the Getulio Vargas Foundation was established in 1951, under the auspices of the United Nations and the Brazilian Government.

¹⁾ Note on local government training, Appendix typescript, Cambridge Summer Conference, op.cit.

²⁾ Cambridge Summer Conference, op. cit.

³⁾ E. Sady, Central Americans seek to improve Local Government.

This school maintains intensive, short courses on the different subject areas of public administration and grants scholarships to public agencies, including municipal who send their employees to train and specialize at the school.

A staff agency of the President of the Republic, the Administrative Department of the Public Service, has also been active intraining of municipal employees, including correspondence courses. Its Public School has just launched a 15 month course on local government available to public

employees from every part of the country.

In the State of Minas Gerais the Department of the Interior has for over two decades maintained a course for municipal employees, providing training to municipal secretaries, accountants and other clerical employees of the municipalities. Finally, the Brazilian Institute of Municipal Administration whose purpose consists in the improvement of municipal administration in Brazil, sponsors courses in municipal administration and develops training programmes in order to increase the competence of municipal personnel. 1)

- 39. India has a number of institutes which provide training for governmental administration, the outstanding one being the "Indian Institute of Public Administration"; some of them, e.g. the "Local Self-Government Institute Bombay-state" and the "All India Institute of Local Self-Government" are geared especially to training of local officials.
- 40. Also in Pakistan the government is hard at work to train the members and officials of the new institutions of basic democracy. It is therefore, that an article of the Order of Basic Democracy especially mentions that the government may set up schools, colleges or other institutions for the training of the members and staff of local authorities, and for the promotion of research in local government and allied subjects. By-rules may be provided for the compulsory training of members and staff, for the courses to be studied, for the holding of examinations, etc. Local bodies shall pay towards the cost of these institutions in such proportions as the government may determine.

In Pakistan already exists the West Pakistan Local Government Institute at Lahore. The Punjab University has introduced "local government" as an optional subject in the M. A. Political Science examination. In 1957, the West Pakistan Government established a Local Government College, wherein students were trained in local government. In 1956/1957 it published a journal known as the "Local Government Review". 2)

41. Training schemes organized by the Local Government Service Commission in Ceylon appear to be mainly for technical grades. In the Philippines considerable attention is equally given to training of public officials.

In the Sudan, the Department of Public Law and Administration, University of Khartoum, trains cadets for the Department of the Interior and gives "in-service refresher courses for the serving officers of the Ministry of Local Government".

The Ministry of the Interior of Thailand conducts training programmes for local administrators, including meetings of the mayors of the municipalities.

¹⁾ See Brazil, p. 20-25.

²⁾ Masud-Ul-Hasan, op. cit., p. 218.

In China, the local government has practised in-service training for a number of years. The central government has also set up training institutes which aim largely at imparting to the trainees policy orientation. The National War College which was set up in 1959, offers an 8 months' training to the high ranking officials. The Provincial Training Corps recruits middle-level civil servants, especially at the provincial or county level, for a short-term training on procedure, technical skill and regulations.

42. In Japan, a considerable number of prefectures and municipalities maintains training schools or institutes for their personnel. A Public Service Training Council, established co-operatively by the national, prefectural and municipal training institutes, develops co-operation among inservice training institutions of the local authorities and between these institutes and the Autonomy College of the Ministry of Autonomy. 1)

43. In some countries a few local personnel training programmes are provided on a very haphazard basis. In a report reference was made to so called "crash" training programmes, while the following warning was given: "In so far as the use of the world indicates a sense of urgency, it is to be welcomed. But "crashes" may have disastrous results if the training is not wisely and firmly directed. "2)

Although it is realized that such programmes may constitute only a beginning and that as such it is "better than nothing", a well set up and well planned local government personnel training plan seems one of the main goals in a number of new countries.

44. Secondment of Central Government Staff. Especially in the early days when services are transferred from central to local government, it may be convenient to further a close contact between central and local government. This could be brought about in various ways. In the first place, central government representatives could be stationed temporarily in the local authorities concerned. Secondly, more or less regular visits by members of the central government departments could be developed. Thirdly, central government staff could be seconded either temporarily or for fairly substantial periods to the local authorities. From frequent visits to residence for a period with a local authority or groups of local authorities is but one step. It is educative for the officer concerned with local government to see what it feels like from the local end. For the council it is beneficial to have the wider knowledge of this central government officer long enough to become really familiar with the place. The services, for instance, of the assistant commissioners of local government in Ceylon, whose task has been defined as that of "guide, philosopher, and friend" of the village committees rather than that of a critic, are considered invaluable. 3)

Central government officers may be seconded when services are devolved or they may be seconded as a general matter of convenience at any time. On the other hand it is also possible to second personnel from the local authorities to central government. 4)

¹⁾ See Japan, p. 32.

²⁾ Cambridge Summer Conference, op. cit.

³⁾ See Ceylon, p. 14.

⁴⁾ Cf. Cambridge Summer Conference, op. cit.

- $\frac{45}{\text{secondment}}$ is arranged. It is possible to have the seconded staff paid by the authority to which it is attached, or it can be paid by its permanent employer on full reimbursement. Another question is whether it will be fully subject to the orders and discipline of the authority to which it is seconded.
- 46. In India, for instance, state government employees are transferred on loan to the local authorities. The local authority has immediate administrative control over the staff, but technical control as well as major disciplinary action vests with the higher authorities under the state government.

It also happens that state government employees work for both their parent field services and the local authorities.

- 47. In Pakistan, the controlling authority, i.e. the government in the case of divisional councils, the commissioner in the case of a district, the collector in the case of all other local councils except union councils in East Pakistan, which are controlled by the sub-divisional officer, may on the prescribed terms and conditions appoint a secretary and one or more principal officers to be the servants of a local council, who shall perform such functions as are assigned to them. The controlling authority may also transfer these persons from one local council to another. Moreover, he may suspend, dismiss, or otherwise punish any person appointed under this clause.
- 48. In Ghana, local authorities, with the consent of the central government, may appoint to any office in its service a central government officer seconded to the service of the council for that purpose for such period and on such terms and conditions as the government may approve. This seconding of central government officers to local government, however, seldom happens on account of two reasons. Firstly, as a result of the shortage of qualified central government officials; secondly because it places the officer concerned in a difficult position as he is no employee of the council to which he is seconded, he may have divided loyalties.
- 49. It seems that secondment is a useful service the central government can render to the local authorities to help them overcome their manpower difficulties in the early period of their assumption of a new activity.
- 50. Personnel Exchange Agency. A central agency may even act as a personnel exchange agency through personnel interchange programmes between the central agency and local government to place the officials in more appropriate positions. It may plan and draft pension and mutual assistance systems for the personnel of local governments and guide the implementation of those systems.
- 51. Recruitment from Outside. Assistance can also be given by the central government in recruiting and training people from outside the public service or from among central government employees. It may e.g. put at the disposal of local government a portion of each year's graduates of a national institute of administration.

52. Courses and Experience Abroad. Apart from these institutions in existence in the different countries, may be mentioned various courses on local government, provided in the United Kingdom, where an ever increasing number of people are sent. It is interesting that some of these U.K. courses are directed to a wider audience than that of these African countries. For instance, Manchester University offers a special course to meet the needs of experienced civil servants from Asian, African and similar areas, while its major objectives are: (a) to define the form of administrative training in Britain that might best assist public officials in the specific circumstances confronting Asian and African administrations; (b) to examine the extent to which western experience in public administration might be relevant to the needs of the many countries represented in the course. 1)

Of the various courses provided in the United Kingdom to supplement the internal training schemes arranged by the local authorities the following seem of special interest:

- the Special Course originally sponsored by the Colonial Office, now run by the Department of Technical Co-operation to which officers from all Commonwealth countries are admitted. This course is under direction of a tutor and comprises periods of teaching and attachments to local authorities 2);
- courses offered by the Royal Institute of Public Administration in London among which a course for newly elected councillors at which they can examine and discuss the powers of local authorities and the limitations placed upon them;
- the Nalgo correspondence Institute (National and Local government officers Association) which provides correspondence courses for its members in preparation for local government examinations. In addition to courses many overseas governments take advantage of direct attachements to local authorities and government departments in the U.K. In some cases students undertake part-time study leading to the diploma's in government or municipal administration.

This training combined with the local government attachments proved very valuable to those who have sufficient background, knowledge and experience to benefit by them.

These U.K. courses are divided into two main categories; those for post-graduate or university type students and those for less advanced but none the less equally practical students. The first category is catered for by the universities. The second category sometimes presents problems since training courses will have to be arranged to suit the special interests and needs of these students.

Some of the African countries report that the practise of sending local government personnel to the U.K. has been discontinued or will be dis-

¹⁾ Cambridge Summer Conference, Notes, op. cit.

²⁾ For a complete list of these U.K. courses and the training facilities in Gambia, Ghana, Kenya, Mauritius, Nigeria (Eastern Region), Nigeria (Northern Region), Nigeria (Western Region), Northern Rhodesia, Nyasaland, Sierra Leone, Sudan, Tanganyika, Uganda, Zanzibar, see Cambridge Summer Conference, Notes, op.ct.

continued as soon as the "national" local government centre or institute is able to train the people concerned. 1)

In Israel, several officers of the local authorities were selected by the Ministry of the Interior for overseas study tours in public administration and local government finance. In collaboration with other Ministries staff members of local government went abroad to take courses in sanitation, public administration and finance.

- $\overline{53}$. Besides the U.K., many European countries and the U.S.A. are providing facilities for foreign students on the ground of insufficient training facilities. There is a large-scale programme of co-operation between American universities and others in African, Asian and Latin American countries. 2)
- 54. Training of Central Government Officials dealing with Local Government. Another important field of interest is the training of central government officials concerned with local government, including those whose business is the "inspection of local authorities, going round and advising them and keeping a watch upon their accounts". Such functions are of extreme importance, especially in the early days of the new authorities. For this kind of official it is necessary to be able to look at things more widely. It is more important to possess a knowledge of the principles of local government than of details. In this connection the Devonshire courses (and their like) are of interest, provided at the University of Oxford, Cambridge and London. These courses consist of two parts, one at the outset of a man's career, the other after he has gained some insight into the problems on the spot. The courses were of quite general reference, but devised to meet the special needs of Africa. 3)

Developing countries might well feel the need to send central government personnel especially dealing with local government abroad to take part in study programmes or to get experience on the spot. In Israel, for instance, staff members of the local government department of the Ministry of the Interior were sent abroad in collaboration with the Ministry of Health to follow courses in sanitation, public administration and finance.

55. Training of Councillors. In the developing countries an additional difficulty is the lack of experience of the councillors. When things go wrong with the new council, it may be the case that the members of the council are more at fault than the officers.

It is surprising, therefore, that only little attention has been given to the training of elected local government officials. Elected members of local councils, when starting their job have often no governmental experience and little knowledge of government, or in general little background which

- 1) E.g. Western Nigeria reports that since the Nigerian College of Technology now provides a course leading to a diploma in public administration and since the Training Division of the Ministry of Local Government is providing comprehensive courses in local government subjects, training in the U.K. will not be continued. (Cambridge Summer Conference, op.cit.).
- 2) Cf. A. F. Leemans, The Study and Teaching of Public Administration, 1961, typescript, p. 12.
- 3) Hicks, op. cit., p. 539.

will be particularly helpful to them in the municipal decision-making function.

Especially in the developing countries there is a great need for the training of the councillors, since they do not have an established system of local government before their eyes, while the general background of education is much lower than in the more developed countries.

Also in the developing countries there is a shortage of experienced coun-

cillors, who can assist new members by precept or by example.

It is very useful to be able to send new councillors to local government schools for short residential courses, so that they can learn from others on the course, while the tutors can study their individual problems. It is essential that these courses provide them with a good understanding of the general objectives of local government and its working, especially of their own proper conduct in relation to officers and the public. 1)

In many countries attention is given to the training of elected government officials. For instance, occasional conferences are held by political parties. Also municipal journals aim at informing municipal councillors about different problems and aspects of municipal governmental administra-

tion.

 $\underline{56}$. However, in only very few countries systematic efforts have been made to provide for proper information and training, especially for newly elected municipal officials.

In Finland, these courses, which are held at the Municipal Training School by the Finnish Union of Rural Municipalities, often in co-operation with central government departments, last from 2 or 3 days to one week. Usually 50 to 60 officials take part in these meetings which are dealing mainly with the latest development of legislation, current administrative and economic problems, including formal procedure of meetings.

In England, the Royal Institute of Public Administration has held several short study conferences on local government problems for elected members

of local authorities.

Also in the U.S. the value of short training courses for newly elected mayors and council members has been increasingly recognized. This matter is even more urgent in the U.S., since there is a relatively rapid turnover of municipal legislatives. In many states short courses varying from one to three days are nowadays held, mostly by the State League of Municipalities concerned or by a university or by these two organizations jointly. The contents of the courses vary from state to state, but it can be said that the emphasis is on the responsibilities and duties of mayors and council members in a general way, the relationship of local governments with the state and national governments, procedures in formulating and arriving at policy decisions and trends in the organization and administration of municipal functions.

In Ghana, as in many African countries, occasional courses for councillors are organized either immediately after local government elections or during the course of the year to explain to councillors their duties. These courses include lectures, visits i.a. to development works, films, etc.

 $\overline{57}$. On the whole it seems imperative to pay attention to the problem of educating both the electorate and the councillors and the staff, in order to inculcate a sense of civic responsibility and an understanding of the

¹⁾ Cf. Hicks, op. cit., p. 538, 539.

processes of local government. In various countries much work is done by institutions and touring teams equipped with films, posters and tape recorders. It is interesting that in Israel a Citizenship School has been established. Also the sending of university students into settlements during their summer vacation to instruct the settlers in organizing their public life seems a valuable initiative.

Also the community development schems may help to create a sense of civic responsibility and often include training programmes for councillors.

One of the best media for civic education in the rural areas seems to be the touring officer explaining at his meetings the work of councils, revenue and expenditure of treasurers and numerous other problems dealt with by local government bodies.

58. In the above it has been attempted by examining some of the relevant problems in the field of local government personnel, to reveal the subtile scala of possibilities in this sphere between meddlesome interference of the central government of a restrictive character and valuable measures to lead, stimulate, guide and educate the local council, its personnel and the electorate.

Ch. IX. Central Assistance in the field of Socio-economics

1. Introduction. Now that more and more countries are becoming independent states politically, it is being realized that real independence and real statehood is only meaningful if economic development is secured. This thesis is in fact an old one. History shows many examples of countries like Germany, Russia and Japan, which were well aware that a country can never be an independent nation, if political emancipation is not accompanied by economic emancipation. 1)

Mutatis mutandis, the developing countries are now confronted with the same problem, and they too have a growing understanding that the achievement of political independence is only the indispensable first step towards full emancipation and that franchise and self-government are not ends in themselves. They are mere instruments for making decisions and executing

plans for the socio-economic emancipation of the people. 2)

It is generally recognized and accepted that especially in the developing countries the government has a vital rôle in sponsoring and speeding up economic development. In fact, at the beginning of their independence only the central government is active in development planning and development programmes, since there are no other institutions able to do this.

2. However, the manner and extent of actual government participation in economic development differs considerably from country to country. In some countries, the rôle of the government is restricted essentially to building up infra structure for economic development; in others the government has undertaken direct investment largely to stimulate industrial development, while in some instances it has established elaborate control and direction over the entire economic activity in order to direct the process of economic and social development in accordance with accepted goals or ideologies.

In contrast to a totalitarian society, a liberal democracy practices a considerable division of labour in the task of decision making and consequently decentralized decisions are made. Probably most of the existing systems combine some elements of both. Whether a particular system, therefore, comes to be labelled totalitarian or democratic depends largely upon the extent to which decision making power is centralized or decentralized. 3)

Especially since the last war local government in developing countries has been regarded as a means, not only to political, but also increasingly to economic development. Even though the avowed purpose of local government is to foster political education, it has, however, indirect bearing upon the social and economic development. Economic development has become increasingly important since the grievances of political tutelage and economic underdevelopment have become more closely intertwined. 4)

It had long been recognized that local government has a value as an education for democracy, the so-called grass-root theory. Rather new, however,

¹⁾ Cfl W. W. Rostow, The Stages of Economic Growth, Cambridge (Univ. Press 1960), p. 26-28; 34, 35.

²⁾ Cf. W. Alphaes Hunton, Decision in Africa; Sources of Current Conflict, London (1959), p. 204.

³⁾ Administrative Machinery for Planning in the ECAFE Region, 1961, E/CN.11/CAEP. 1/L.3.

⁴⁾ Cf. Ursula K. Hicks, Development from below, Oxford (1961), p. 3-8.

is the economic argument that local government should also be efficient in order to be capable of managing the local services in a way which will help to raise the standard of living or in other words to be a means to economic development. The association between the two sorts of development is now generally accepted.

3. Even though the government is inclined to leave a part of the responsibility for the expansion of production and for the development of new industries to private enterprise, such expansion remains dependent upon the provision of essential services which in almost all countries are provided by public bodies. These services may be divided into two headings: the economic overheads, regarding a communication and transportation network, power, water and so on, on the one side, and social overheads, such as education and public health on the other.

Quite naturally the larger items under each heading become the responsibility of the central government. The necessary investments which will have to be made are considerable, so that very often only the central government can furnish the money. Economic and social overhead capital only yields results a long time after the construction has been undertaken. These characteristics determine the extremely important rôle which governments must play in the process of building social and economic overhead capital.

There is no reason, however, why also the smaller items should be matters for central responsibilities. In both sectors of overheads some useful economic functions for local government can be found Small works within the capacity of local bodies should be done at the local level. By decentralizing its economic functions, the central government frees itself from the jobs that require local knowledge, local decision, and local action, thereby stimulating growth and initiative at the local level, and avoiding that the whole direction of the economy comes from the top.

By co-operation between central and local authorities much of the extension work which is required for the national projects can be carried out at the local level. Local government organizations may be a convenient way of organizing it.

4. Often complaints are heard that local councils can contribute very little in the way of development because of their meager financial and physical resources. Activities which they might undertake often tend to get brushed aside, or subsumed in national plans where they lose their identity, which does not stimulate local initiative. It is true that apart from large and wealthy councils local bodies cannot undertake large development projects but that does not do away with the fact that the aggregate of small improvements within their competence can easily add up to something very substantial. 1)

Apart from this, local capital formation has considerable importance not only from the economic and social points of view, but also on psychological grounds. What counts more than anything else with the ordinary citizen is to see some tangible result of his tax contribution or labour in which he can take a personal interest, a road, a market or dispensary. Such works stimulate a feeling of civic consciousness and a desire for improvement.

The social importance of the little works that even small villages can achieve should not be underrated, whilst their economic potentiality is at least of equal importance. As contrasted with big projects, which take years to complete and do not bring in return for many years, little local projects

¹⁾ Ursula K. Hicks, op. cit., Chapter 17: The capital account.

have an immediate effect. Better local roads or a better market, for instance, may stimulate the output of eash crops within a single season. Moreover, the demands of local works on construction material are usually light. Generally speaking, local works tend to be labour intensive, which is of the utmost importance in the many developing countries which are overpopulated and consequently have an enormous amount of surplus labour especially in the agrarian sector.

Besides these general economic advantages, particular local works have special economic functions in the process of development. Local roads, for instance, help to break down isolation, stimulating mutual trade which leads to encouragement of production and in increasing consciousness of new wants. Town and village planning not merely tend to raise standards

of health and living but also improve the quality of tabour.

Economic activity by local government may therefore well be the best way for development from below enabling the ordinary citizens to play a part in the organization of their own development. It is evident, however, that local bodies will have to seek advice and guidance in answering the many questions which arise, and consequently that the central government must help them to obtain the technical and other aid they require.

5. When stressing the importance of local government for economic development, it is of importance to pay attention to the concept of "circular causation", the interdependence of factors, developed by the Swedish economist G. Myrdal. 1) This tendency usually operates in such a way as to reinforce a central tendency. Myrdal's thesis is that the underdevelopment of a region reflects the cumulative pressures of mutually reinforcing factors, termed a "backwash effect". When circular causation promotes economic development, the word "spread effect" is used.

Riggs applies these concepts to the relation between local administration and development. It may be postulated that the character of local government interacts in a circular fashion with its total environment so as to reinforce dominant tendencies. Local government may thus be viewed as a consequence and a cause of environmental social and economic conditions. Thus, in an underdeveloped region, poverty, stagnation and lack of initiative contribute to ineffective and inefficient local government. Reciprocally, bad local government reinforces the poverty and stagnation of the local society, thus fulfilling the vicious circle of the backwash effect.

On the other hand, in a progressive region, the economic and social pressures of the environment stimulate better local government, which in

turn tends to stimulate and assist local economic development.

Since the strength of local government tends to vary directly with the degree of economic development of a region and the degree of economic development varies with the strength of local government, it would not solve the problem merely to surrender national control of local government, if the local environment reinforces stagnating backwash effects. On the contrary, local autonomy, under these conditions would accelerate the downward tendencies.

Therefore, it cannot be hoped under all circumstances, to spur economic development by granting local autonomy. The grant of local autonomy will reinforce whatever tendencies are dominant in each locality. Hence, in progressive localities, self-rule will accelerate development, whereas

¹⁾ G. Myrdal, Economic theory and underdeveloped countries (London), 1957

in regressive localities it will reinforce stagnation. 1)

6. Socio-economic planning. Today planning is recognized as an essential element for economic development. Since the end of World War I and the economic crises of the thirties in the Western countries "planning" has been largely concerned with such development. However, mainly the effects of World War II introduced rational planning into non-communist countries, either as a way to rehabilitate and reconstruct war-shattered countries or for accelerated economic and social development of underdeveloped countries.

Physical (city) planning and some form of economic planning is necessary for modern development. The development of the concept "planning" into a key-term in modern political and ideological thought after World War I and the more general acceptance of "planning" as a necessary social technique is a contemporary phenomenon.

7. Although many definitions of planning have been given, the following definition seems a useful one: "Planning is the process of preparing a set of decisions for action in the future, directed at achieving goals by optimal means". 2)

If a distinction is made between private enterprise economy, relying primarily on market mechanisms for economic development, centrally planned economy, in which virtually all investment is provided by the state in accordance with a fixed national plan adopted, and mixed economy, which is partly a private enterprise economy with a substantial planned public sector and with a state control of the private sector, it is clear that these three types of economy provide different frameworks within which a plan will be established. In a country with private enterprise economy, the plan will consist largely of mere projection, whereas in a country with centrally planned economy, it will consist of planned elements. In a country with mixed economy, the plan will contain both planned and projected elements. 3)

Planning seems necessary in the interest of a sound and economic progress, as it avoids wastage of funds and maintains a balance between production and the needs of the society. It must be related to the realities of material and human resources. It also helps in affording opportunities to all sections of the community.

Planning in a large measure consists of efficient co-ordination and collaboration, which has to be developed not only among the different organizations of the central government, but also with the local authorities at the different levels.

Planning should be proggressive and since the plan has to be adapted to local needs, circumstances and resources, it is not possible to do all the planning at the centre.

¹⁾ Riggs, Fred W., Economic development and local administration, a study in circular causation, Philippine Journal of Public Administration, Vol. 3, No. 1 (Jan. 1959, p. 99-101).

²⁾ Dror, Y., Introduction to a General Theory of Planning (1961), type-script, p. 1-9.

³⁾ Metropolitan Planning and Development (Final Report U.N. Meeting of Expert Group on Metropolitan Planning), 1961, p. 35.

In the U.S. the major causes for planning were early public improvement programmes, the city planning concept and the public works programme of the thirties. State interest and activity in the planning field was largely motivated by the Federal Works Program adopted in 1933. The boards of the thirties were concerned primarily with public works, although basic research was done in land use, analysis of resources, consideration of health, education and housing problems. 1) State boards were concerned with planning for the economic development of the state. They sought to assist and encourage local government in planning, zoning and public works programming. 2)

The early experience with these boards contributed to the acceptance of the desirability of planning. After World War II planning was revived to meet post-war readjustment. Physical planning and industrial development were of major concern. Interest on the part of the federal government resulted in the Housing Act of 1954 which attempted to strengthen local planning through a state planning agency. The creation of a special assistant to the President in Public Works Planning has served to encourage

state and local planning activity. 3)

- 8. Especially the technologically underdeveloped countries, which aspire accelerated technological development, depend for the achievement of their aspirations on the use of rational long-range decision making processes by the central administration, i.e. central planning. The underdeveloped countries—and the regional development projects in underdeveloped areas in generally developed societies—have experienced the need for synchronized actions in various spheres of life as the only way for directed socio-economic development. 4)
- 9. It seems, therefore, that planning is a facet of social and economic life which has come to stay. It is of importance to consider the rôle of the local authority in the planning process. In order to be effective, planning must be as integral as possible within the limits set by the economic and political systems of the respective countries. An important aspect of integral planning is that it can on the one hand minimize the negative effects of centralization of those functions that are centralized to accelerate development, by making the local authorities a part of the whole context and on the other hand can make the necessary corrections of distortions which tend to occur when decentralization is attempted or stimulated without central planning or with piecemeal planning.

The scope of planning as related to decentralization for development varies of course with the degree of government intervention in economic life. However, in many developing countries there is already a considerable degree of intervention, which implies that economic and social planning

plays an important rôle.

¹⁾ State Technical Assistance to Local Governments, a review of Selected State Services, typescript, prepared by the Council of State Governments, 1961, p. 32.

²⁾ Council of State Governments, Planning Services for State Government, p. 22.

³⁾ State Technical Assistance to Local Governments, op. cit., p. 33.

⁴⁾ Dror, Y., op. cit., p. 2.

Although it may seem that central planning is emphasized too much, the principle is that planning is done at all governmental levels. As a rule central planning should be concerned with the broad outlines, while the details and more specific local aspects are left to the lower levels.

The principle seems simple and clear: there should not be complete centralization and complete uniformity, while local efforts are needed to suit the various local circumstances and differences. The problem is, however, that there is plenty of room to differ of opinion where the sphere and authority of local planning begins. There seems in this sphere no formula and there should be no uniformity, because different purposes require different definitions of what "local" means and different organs for the job. If it is too small or too narrow, a local organ will have neither the vision nor the resources to plan. If too large or too diverse, the local organ will have neither the vision nor the resources to plan. If too large or too diverse, the local organ will compete with the central organs. 1)

There seems a definite need to decentralize the planning process if the government of a developing country is to achieve its aim of fostering economic and social development within a reasonable time and to make the effects of the development lasting. In this way popular participation in the work of development in which the central government is engaged is increased, which speeds up the results and makes them more lasting. The burden of development in countries where resources are scarce are great both in administrative detail and cost. Unless the burden is shared on a wide basis and accepted with popular enthusiasm, little will be achieved. Moreover, the local units can assist the central government in making its development programme more realistic by taking into account local needs as well as the best way to fulfill those needs. 2)

10. The following may serve as an example of co-operation in planning of the three governmental levels. In the Indian state of Rajasthan, it was demonstrated that the village Panchayats were only able to perform their civic functions satisfactorily after they had become basic units for planning and executing development plans and had become associated with an active process of development in which the village Panchayat is given an effective part, so that it can assume responsibility and initiative for developing the resources of the village.

It was with this aim in view that in the first Five Year Plan the community development programme was introduced in the rural areas, while the main emphasis of the programme was on community organization as a method of furthering social welfare and efficiency. Although during the first two Five-Year Plan-periods the state and the national government had endeavoured to draw up plans from the bottom, this remained without success. Now that the people are taking up the responsibility of planning and executing the programme in their own area, the chances of the Third Five Year Plan seem much brighter, 3)

¹⁾ Cf. Peter F. Drucker, The landmarks of to-morrow (1959), p. 39-43.

²⁾ Cf. Working Group on Administrative Aspects of Decentralization for National Development, TAO/WGPD/WP/33, Remarks of J. Gorynski on Mr. H. Maddick's report entitled "Decentralization for Development".

³⁾ Cf. Towards a New Democratic Order, a publication of the Ministry of Community Development and Cooperation (Department of Community Development) Government of India (1960), p. 19, 20.

The Panchayat will formulate village plans for building up community assets that would belong to the village as a whole. The Panchayat has to secure financial and technical assistance from the Panchayat Samitis at the block level. The Panchayat Samiti consolidates the plans prepared at the Panchayat level and, after adding functions to be undertaken directly by itself, formulates the samiti plan. Such samiti plans are co-ordinated at the district level to form the district plan, which in its turn, has to fit into the framework of the state and national plan, in order that there will be no overlapping of functions between the different bodies.

The government servants at the block or village level have to work as advisors and guides to the local bodies in the planning and execution of

their programmes. 1)

11. In Egypt since the Law of Local Government of March 1960, local councils - Provincial, Town and Village Councils - do actually share in the execution of the National Economic Plan, Several authorities concur in drawing the National Economic Plan. Expert technicians collaborate with competent ministers in preparing the Plan, and during this interval they receive the views and suggestions of the National Union with its subsidiary committees. After approval by the National Union, the Plan is submitted to the National Assembly for ratification, and for voting the annual credits. Then the Plan is finally decreed by the President of the Republic.

Portions of this National Plan are allocated to the local authorities to achieve them locally, through local financial resources, completed by grants grom the Central Treasury. Local authorities are entitled to introduce modifications in their allotted portions if they can produce enough jus-

tification for such modification.

12. In the U.K. not all local authorities have the full range of functions. With respect to planning only the County Councils and County Boroughs are recognized as Local Planning Authorities. They are responsible for the preparation and review of the Development Plan, but there may be provision under a special scheme for the area for the delegation of certain planning powers to the county district councils.

- 13. If central planning is considered as a means of achieving the desired balance in programming and in allocating funds for capital expenditures and current operations, it is obvious that the effectiveness depends to a large extent upon the flow of information from field units and local authorities and the degree to which the decisions on local matters can be decentralized. It may, therefore, be a useful practice for central staff agencies to ask field officers and local authorities to supply information.
- 14. Since planning both at the national and local level requires expert work, universities and research institutes could be helpful at the request of the government and the planning agencies.

As it is of importance to create enthusiasm and to secure the support of the general public for planning a sustained and conscientious effort may have to be made to educate the public to associate them with the planning process as much as possible.

¹⁾ Ibid., p. 12.

Here is a task for the local authorities. Special brochures written in simple local languages should be made available to the public. The local press should be encouraged and induced to write upon the plan,

If a definite effort is made to educate and associate the local authorities and the people with the planning process, they will in turn be helpful to the

central government when the plans are drawn up.

As has been pointed out before, local government in the developing countries faces many problems, of which the lack of competent personnel is one of the most serious ones. Obviously the decentralization of planning requires the existence of a sufficient number of skilled planners at the lower governmental levels - a situation which needs to be solved.

15. A Central Planning Agency.1) Once the necessity to plan economic development is recognized, it is essential to develop planning machinery. There seems to be a general need for a central planning agency whose task will be to assess natural, human and capital resources, the preparation of plans and the appraisal of the progress and revision of the plan.

Suggestions for the inclusion of projects and programmes in the plans will be received from the government departments and the local governments. The task of the planning agency is to analyse and assess the pro-

posals received.

It has often been claimed that the planning agency should not be allowed to enter the actual process of making public policies, especially in matters other than development. The planning agency is looked upon as a body of technical experts whose main concern should be to render expert technical advice on development problems.

However, especially in developing countries it seems hardly possible to distinguish between developmental and non-developmental policies. Almost all the economic and social policies of the government will have a vital bearing on the development of the country. The advice of the planning agency should be considered as an integral part of the government itself. Otherwise planning will have to be done in a political and administrative vacuum.

It seems that the planning agency should neither be a body of politicians and administrators hampering the work of the normal government department, nor a body of planning experts rendering advice regardless or political and administrative difficulties.

In some countries (Burma, Ceylon, Federation of Malaya), the planning agency constitutes a part of the Prime Minister's office or secretariat.

The planning should be an independent body, preferably located in a separate Ministry of Planning, with a minister in charge of it to represent the agency in the cabinet and the parliament.

In some countries of the ECAFE (Economic Commission for Asia and the Far East) region, the Prime Minister is also the chairman or the chief

of the planning agency, to enhance the prestige of the agency.

It is desirable that the planning agency be closely linked with other departments, especially with the agency dealing with local government, to keep close and regular contact with the planning activities of the local authorities. A special division could be established in the agency dealing with local government to maintain this contact with the planning agency to coordinate central and local planning. The association between the planning

¹⁾ Much of the information regarding a Central Planning Agency has been derived from U. N. Ec. and Soc. Council: Administrative Machinery for Planning in the ECAFE Region, E/CH. 11/CAEP. 1/L. 3, 1961.

agency and the other departments can be brought about by regular and frequent meetings at the officer's level in which the officers from the departments concerned can be invited to participate.

16. Many countries have, indeed, established a central planning agency, with functions mainly directed at the formulation and revision of development plans, the provision of economic guide lines to be followed, supervision and co-ordination of local planning activities. Afghanistan established a Ministry of Planning in 1956; in Burma the Ministry of National Planning and the Economic and Social Board were amalgamated into a Prime Minister's Office for National Planning in 1958; Ceylon has a 7-member Planning Committee of the Cabinet with the Prime Minister as chairman established in 1953, which was replaced in 1956, by a National Planning Coucnil: China (mainland) has two main bodies: The State Planning Commission and the Economic Commission; in China (Taiwan) work of economic development planning is the responsibility of the Minister of Economic Affairs and the Minister of Commerce. Planning work is mostly done by three committees: agricultural planning and co-ordination committee, industrial planning and co-ordination group, transportation and commerce group; in the Federation of Malaya in charge of planning is the Economic Committee of the Cabinet aided by the Economic Secretariat; India established a Planning Commission in 1950; Nepal had various Ministries, Boards and Commission of Planning, but established a National Planning Council in 1961; Pakistan has a Planning Commission since 1959; the Philippines an Office of National Planning; Singapore an Economic Development Division; Thailand a National Economic Development Board since 1959; Vietnam a General Department of Planning. 1)

17. A special facet of planning is metropolitan planning. In both advanced and less developed countries a national policy is needed to deal with the problems of urban and metropolitan growth and development, as a special aspect of planning. Metropolitan growth is a continuing process which may be expected to proceed at a progressively higher rate in the foreseeable future. Most countries are consequently faced with problems relating to rapid urban growth in their communities, cities and metropolitan agglomerations. The problems will usually bear a different character, since the advanced countries are attempting to turn theflow of migration to metropolitan areas, while the main problem in the developing countries seems to be stimulating urban growth. But governmental policies designed to grapple with these problems, to be successful, will need to adopt, everywhere, a comprehensive approach in which physical planning is appropriately co-ordinated with the other essential aspects of development.

Since metropolitan planning and development constitutes a highly dynamic complex process, involving interrelated economic, social, physical and administrative factors, it can only be done by an organization with expert knowledge and the necessary legislative and financial authority.

The legal and administrative provisions for enforcement of metropolitan planning must rest on the specific legal assignment of responsibilities. These will have to be appropriate to each legal system, and to the structure of the division of powers as between the central government and its departments and such local authorities as exist. When the several responsibilities

Administrative Machinery for Planning in the ECAFE Region, op. cit., App. I.

are divided, the duties will have to be clearly specified to maintain the integrity of the necessary area-wide co-ordination.

Public authorities of various levels have the task to implement the municipal development schemes. Although the initiation of development projects may be in the hands of the local authorities, in most countries the proposals for extensive development are reviewed and approved by a central authority. It is of importance that the timing and scope of a development plan and the allocation of funds are laid down in national economic plans, prepared by the central government in conjunction with regional and local authorities.

It seems necessary to establish national centres for dealing with questions of urbanization and metropolitan planning and development. To ensure adequate consideration of the physical aspects of national development, it may be desirable to establish at an appropriate place within the national government a permanent central unit concerned with overall physical planning.

Especially in the underdeveloped regions, development cannot be started effectively by the local authorities, because of their lack of experience, vision, resources and technical knowledge. In such situations only a central national authority can take the initial step which will lead to a more balanced distribution of the national, social and economic development and the optimem use of national resources. At a later stage a national development agency may well leave an increasing amount of responsibility to the regional and local authorities.

It may be advisable to establish in each metropolitan area a permanent planning agency, with a staff and budget sufficient for the adequate discharge of its functions.

Obviously also in this field the developing countries would greatly benefit from international assistance and advise. A universal exchange of information and experience would seem of value for all countries. 1)

18. It is reported from the U.S. that where separate and expanded state planning departments have been established, the aid to local authorities has been significant, although of a widely differing character. For instance, Alabama has for the last 18 years been assisting in the development of water plans and their implementation. Wisconsin's Department of Resource Development has for 25 years drafted ordinances and prepared maps, subdivision regulations and building codes. In Maine, where the Department of Economic Development is empowered to initiate local planning programmes, the emphasis has been on advice and co-operation.

An interesting U.S. aspect is also the Federal Housing Act of 1954, as amended under Sect. 701, which has provided the primary impetus for state concern and local interest in local planning programmes. Under this programme funds for local planning purposes are supplied by the federal government through state planning agencies. The state informs localities as to the available funds and necessary organizational procedures. Many states aid in the creation of local planning boards and the preparation of applications for federal grants.

¹⁾ The above information about metropolitan planning is mainly derived from a report on Metropolitan Planning and Development, composed by a United Nations Meeting of an Expert Group on Metropolitan Planning in Stockholm, Sweden, 1961.

The most important area of concern under the 701 programme is how localities can create local planning bodies and establish eligibility to receive funds for such purposes under the law. In some states the initial encouragement will come from the state. Manuals and procedures are published by state agencies describing the federal and state programme and stimulating interest in planning genrally. Comprehensive planning studies are a necessary part of the 701 programmes and these may be done either by the states at the request of the localities or by outside consultants. Close liaison is maintained during such studies, even if the state is not directly involved. 1)

19. Since only effective and capable local units will be able to do their share in the planning process, it will be essential that the central government take measures to strengthen local government. There seem to be various ways in which the central government can assist the local authorities with the carrying out of their planning activities.

When considering the various aspects of central government assistance to the local authorities in the planning field, it should be kept in mind that the country discussed does not always possess a central planning agency. In the following various central services related to the planning process are examined. It may become clear from the following that there seems to be a general need for such a central planning agency, which could perform most of the services mentioned and take care of the necessary co-ordination with the agency dealing with local government as well as with other central ministries involved.

20. In the first place it will be necessary to put at the disposal of the local authorities the necessary expert personnel to formulate the plans and to execute them, as well as the necessary financial means.

Since it is of importance that those working in the planning field either on a voluntary or paid basis should possess besides the real spirit of service also the necessary competence, training is needed. The urgency of training in this area becomes clear when it is stressed that in the U.S. there should be more state effort in the training of planning personnel, since reportedly even the state agencies are limited in their staff while the planning field generally suffers a nation-wide shortage. Therefore, the U.S. Federal Government has recently adopted an internship programme for personnel in local urban renewal programmes. The locality can hire an intern and the federal government will pay 2/3 of his salary.

If this is taken into account, it is easy to understand how difficult this problem is in the developing countries.

21. In many developing countries the necessary expenditures for realization of national programmes are financed by the national budget, which assumedly has little or no educative or strenthening effect on local government. In Indonesia, for example, the Indonesian development bank provides financial aid to local government development programmes in the form of locals with or without central government guarantees. In other countries, e.g. the Philippines the central government enables the local authorities to ask for loans for their major development projects from institutions such as state banks or insurance companies.

¹⁾ State Technical Assistance to Local Governments, op. cit., p. 32-37.

22. To assist the local governments in the planning process, it seems essential that the central government makes a clear division of tasks. It should draw up its programmes of development carefully and state its objectives in terms which will give the local authorities a task in this process. In this way local planning will be stimulated and guided. In general, the central government represents the common interest in respect to local, autonomous planning. When in this way a proper rôle is created for local government planning activities, the central government is responsible to co-ordinate, balance and guide the plans. Japan, for instance, reports that the central government ordinarily assists the local government in the planning of various projects by first deciding the basic policy and then letting the local authorities draft their own plans and implement them. There are also many cases in which the central government extends technical assistance to the local authorities with relation to the latter's drafting of their plans, which sometimes need governmental approval.

On the one hand diversity, competition and independence in the planning process is encouraged, while on the other hand the necessary integration is secured by the co-ordinating activities of the central government.

- 23. Narrowly related with the division of tasks is the stimulation and encouragement of the local authorities to participate in the planning process, with a minimum of interference from above, in order to let the development schemes be successful. It is of the greatest importance if the central governments stimulate the local authorities to plan rather than to draft. This implies not only leaving details of schemes to local authorities, but the local authorities should be encouraged to draw up their own programmes, based on local needs and desires.
- 24. Advice and guidance can be given in a number of ways. Of great importance is the service of study and research. Central government agencies can study the problems that may arise in the planning field and find solutions. The U.S. report the conduct of studies or surveys in planning matters for the localities by the state planning agencies. Large scale studies may be paid for on a cost basis by the local subdivision, on a matching basis with the state, if such a programme exists or at full cost of the state.

Another form of advice and guidance is provided by conferences and consultation. In many countries central government agencies hold conferences regarding planning with local bodies. In the U.S. almost every state planning agency either conducts planning conferences or plans to conduct them in the future. These conferences are used to keep local officials well informed and to encourage local action. They give state officials the opportunity to meet with local officials, and local officials the opportunity to exchange notes with each other. Professional planners attending these meetings also offer much to lay-local planning officials and their staffs. In most states the planning agency will supply speakers and participants for local meetings and conferences.

In most countries the local units may consult various staff agencies, the central planning agency if existent. For instance in the Philippines, local units may consult the National Planning Commission concerning activities involving preparation and adoption of town plans, zoning and subdivision of regulations, exchange of public lands with private lands affected by public improvements, organization of local planning boards, drafting of building codes, etc. The local officers are free to consult other central agencies like the Civil Service Commission, Budget Commission and the Institute

of Public Administration. It seems that especially here the central planning agency can play an important rôle to effect co-ordination and to keep contact with the planning department of the agency dealing with local government.

In the U.S. provisions in almost all state planning laws call for state agencies to advise and assist local governments. The most common form of such assistance is the providing of expert advice. State agencies will answer enquiries, deal with local planning problems and assist local governments on their request to the extent that they are competent to do so.

25. The central government can assist the local authorities by getting information and ideas necessary for the formulation of programmes. This is the case in Vietnam where this information is provided by agencies of the provinces concerned. Consultations are held with the chiefs of the provinces. In this capacity the planning agencies of the central government could assist the local authorities by taking an instructing rôle directed at preparing them to take over their part of the responsibilities in the planning process as soon as possible. For instance, Indonesia reports that the central government assists the local governments in the various types of planning by way of assigning its technical departments with the task of designing the proper types of planning together with the local government concerned. This country reports that the National Planning Council plans central government development projects as well as the development programmes to be carried out by the local governments. Many of the local units have their own planning agency operating closely with the National Planning Council or Ministry concerned. It may be emphasized that here is a possibility to smother the local initiative completely. On the other hand, it is possible to educate the local units to a more and more independent rôle in the planning process.

26. The preparation by the central government of <u>publications</u>, such as model zoning and planning regulations and manuals seems to be a useful means of assistance. Such models provide basic technical knowledge to the locality in the form of a guide for local action. The models are usually provided as a standard and individual localities can adjust provisions according to their needs. In the U.S., e.g. the West Virginia Economic Development Agency publishes a "West Virginia Planning Manual". The New York State Department of Commerce also publishes zoning and planning manuals. Tennessee publishes model ordinances and Colorado also publishes suggested codes and ordinances.

Other central government publications may include newsletters, planning guides, special studies in planning procedures or problems of interest to local governments.

Many state planning agencies in the U.S. distribute state enabling legislation in planning to the localities, so that they are kept informed of state action as it pertains to them.

27. It is of importance to stimulate people's organizations to play their rôle in the execution of the plan, even though this may cause inefficiency in the beginning. Procedures can be evolved by which the people's voluntary agencies are strengthened and stimulated and left alone to execute the plan. Specialized knowledge and experience should be put at the disposal of local authorities and voluntary agencies.

28. Community Development. A facet of importance for the national development is represented by community development.

Community development, which was defined by the United Nations as "the processes by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress" 1) is playing a highly important rôle in the national development of many new countries.

The concept of the community of village as one of the primary mechanisms for economic and social action is of rather recent origin. There is a growing evidence that villages have valuable and untapped reservoirs of manpower and other resources which can be effectively enlisted and put to work in planning and carrying out activities which meet their own needs. By promoting a greater receptivity to change which will raise living standards, community development can accelerate the pace of rural progress and as such become a vital part of national development. The greatest contribution of community development to national development is the development of the village people to become self-reliant, responsive citizens, capable and willing to participate effectively in the building of a new nation. To put the masses of poor people who live in the villages of the country effectively to work will turn out to be one of the greatest assets and greatest stimulations to national growth and development.

Since governments must of necessity be centralized and institutionalized, it is essential for governments to establish lines of communication with village people which assure information moving from the government to the village and from the village people back to all levels of government. In a democracy it is essential that the people feel that they have a voice and that somebody is ready and willing to listen to them. It is important that all village people have concrete evidence that their government is concerned about their welfare and is joining hands with them in working toward building the new nation. This is also a task of community development to which it has to dedicate itself. It has even been stated that the greatest accomplishment community development has made in India was the fact that 400,000 villages of India feel for the first time that they have joined hands with their government and that their government is concerned about their welfare and is trying to help them find solutions to their problems. 2)

Since most of the developing countries are made up of villages and from 60% to 80% of the total population reside in the rural areas, it is more and more understood that national development can succeed only as each village community becomes involved in the process of development. Big development programmes, as the construction of big hydro-electric dams, the development of major industries, etc., may be undertaken, but if these leave the development of village communities untouched, the end will prove to be a total failure in terms of having laid the foundation for the working of democratic institutions and using democratic institutions and democratic methods.

29. Governments which are concerned about the development of their village people will have to recognize that change itself comes about through an or-

¹⁾ Official Records of the Economic and Social Council, Twenty Fourth Session, Annexes, agenda item 4. Doc. E/2931, Annex III, para.1.

²⁾ See Community Development and its Contribution to National Development, a speech delivered by Douglas Ensminger, Director Ford Foundation in India for a technical conference on community development, Seoul, Korea, May 6-12, 1961, report of that conference, p. 24.

derly process and that the people themselves become deeply involved in the process of change. Since the process of village growth and development is itself a process of cultural evolution, the government must be aware that while it can, through effective administration and organization, give shape to and facilitate the process of change, village change itself cannot be centrally administered. Community development can be of great importance because these processes of change can be brought about. However, it is essential to understand that it will take time and continuous education and guidance to integrate into the culture the philosophy of reliance on their own leadership, organizations and institutions and providing of their own money in continuing to develop their community facilities and services. 19

In general, community development programmes of whatever type they may be, are in the first place a central government responsibility. Especially in those countries which are confronted with a rapid development the main

impetus should come from the central government.

The central government must look upon community development as the way to assure that the benefits of national development reach out and influence the lives of the masses and are not only reaching the few. The people themselves must feel as a result of government efforts that the programmes of the government are being formulated in a way that the fruits of development will reach out and improve the living conditions of the masses.

Utmost care must be given to the selection of community development personnel. Primary attention must be given to national orientation and train-

ing programmes.

Grants-in-aid have to be made available as a resource to assist the people to do the things they themselves cannot do without assistance. Once community development as a concept has been demonstrated, grants-in-aid should be used strictly as a resource to supplement the community resources and there should not be a fixed grant allowance for each village. In case of projects that can be identified as economic producing programmes, the government may deem it desirable to grant-re-payable loans with low interest rates instead of grants-in-aid.

Regarding agricultural development programmes, the central government can stimulate such programmes by drawing up such legislation as is required to place the ownership of the land in the hands of those who till the soil.

In accepting improved agricultural practices village farmers must borrow money to invest in fertilizer, seeds, etc. However, before the village farmers can take the risk of borrowing money they must have assurance that their crops will at the time of harvest at least bring back enough return to pay back the loan and to have a small margin of profit. Practically many of the villagers cannot afford to take this risk unless the government gives them guarantees in terms of a minimum floor price for their crops. Here again it will be the central government that will have to assist the village people.

Furthermore, the government will have to give the highest possible priority to village education oriented to preparing village people to play their rôle as effective citizens. Good primary education oriented toward developing people to effective living is indispensable to make community development fully effective. This includes also civic education, that is education towards a sense of responsibility towards the community. 2)

30. Many countries have established a separate ministry for community development through which a co-ordinated planning and execution of community development programmes is channeled. In India, there is a national ministry, but community development is in fact decentralized through the

state governments. It is sometimes also placed under the direct responsibility of the president, or the prime minister. Often the responsibility for community development is also put under the responsibility of one particular functional ministry. This will be especially the case in countries where the emphasis of the community development programme is placed on one particular aspect such as mass education (Ivory Coast), or Social Welfare (Ghana) Department of Social Affairs and Community Development: it may also resort under the Ministry of the Interior (Ceylon: Department of Rural Development of the Ministry of Home Affairs).

31. The relationship between community development and local government is of great importance. In some areas where responsibilities for community development and local government are vested in several departments, rivalry has developed among the officers concerned. Since community development greatly impinges on the field of local government co-operation will be most fruitful, whilst competition only leads to frustration. It is not surprising therefore that some countries have found it advisable to place responsibility for fostering community development and for improving local government in the same agency. In India, for instance, the Minister of Community Development and Cooperation was recently given responsibility for aiding states in improving the functioning of panchayats.

The relationships between local government and community development was also the object of study by the U.N. for its report on Public administration aspects of community development programmes. This report came to the conclusion that "measures to improve local government should form an integral part of community development programmes". This is full recognition of the rôle which should be assigned to local government in development. The efforts to improve or create local government, and their relationship with community development programmes will, however, need a different orientation depending on the situation in the country concerned because of the widely different circumstances in the various countries.

It is necessary to state that although community development and local government have much in common, in principle community development and local government are of a different character. Local governments as a statutory organization are formal bodies composed according to a formalized pattern to serve as a body politic. Political or even partly political considerations may therefore often determine the acts of local governments. The coercion and application of sanctions involved in their tasks, are essential to local government.

Here the difference with community development is very evident. Community development which is not so much concerned with the formal running of the community but with its development, starts from the premise of popular participation and self help. Voluntarism, therefore, is the basis without which it can hardly function properly; coercion is in principle foreign to it.

Moreover, community development programmes may encourage social grouping and voluntary effort by persons with common interests. The community development approach permits a segment of a community to better itself if the community is not ready to act through local government.

In defiance of these differences, efforts to foster community development and to improve local government can complement one another in various ways, assuming that their objectives are similar. Local government through its prestige, local power and facilities can supplement community development activities. In turn, community development programmes, by

helping to establish community facilities and preparing people for more active citizenship, can contribute to better government.

32. In a U.N. report 1) is stated that in view of this interdependence between community development and local government, the relationship between them is somewhat paradoxical. The need for community development programmes is likely to be greatest where local government is weakest, whilst the success of community development programmes in many countries depends to a large extent on the strength of local government, especially on the ability of local government to maintain many of the facilities established through community development effort. It is obvious that permanent reliance for maintaining several of these facilities cannot be placed on either individual or un-organized or ad hoc collective effort, but that this has to be the responsibility of the local authorities.

On the other hand community development can seriously weaken local government by creating general purpose development bodies with the purpose to carry out on a continuing basis functions which can and therefore should be performed by local government. It appears that where statutory local government bodies exist the creation of general purpose community development committees alongside them may easily undermine the rôle of local government, without perceptible long-range advantage from a community development stand-point. But it is also true that reliance on the coercive powers of local government where voluntary action is called for can result in undermining community development effort.

33. As a general rule, community development programmes should be planned, and whenever possible, carried out simultaneously and in close coordination with the local authorities. Community development programmes should normally encourage and help people to establish a facility or service only if advance arrangements have been made, preferably with local government, to maintain it. In India, for instance, a part of the unwillingness of the panchayats to undertake the maintenance of facilities built during the intensive phase of the community development programme is due to the fact that the original construction programmes were undertaken without their being consulted. The failure of reading rooms and the ultimate extinction of the mass literacy work in Eastern Nigeria was in a large measure due to a lack of co-ordination between community development and local government. 2)

It would certainly be desirable if community development should be concerned with creating new attitudes and values and translating them into community action, whilst local government should be concerned with providing a continuing framework in which the result of community action can take a permanent place. 3)

34. Although in many instances the basic local government unit was not considered the appropriate organ for community development work, there are cases where the basic local government units are also a unit for community development and they have often proved to be effective in this respect.

¹⁾ Public Administration Aspects of Community Development Programmes, United Nations Technical Assistance Programme, St/T.A.O./M/14 (1959).

²⁾ I.C. Jackson, Advance in Africa (1956), p. 100.

³⁾ Ibid., p. 97.

In India recent government policy is to assign to the panchayat the rôle of the central body for community development work and co-ordination thereof in the village area. The creation of ad hoc village community development councils has been abandoned. Efforts are being made to improve the panchayats in order to perform community development work. The active participation of the people and in particular of the community's leaders in different fields is realized by the establishment of a number of functional committees each dealing with one subject or several related subjects, such as agriculture and animal husbandry, public health and rural sanitation and different types of education.

In the Philippines the basic local government unit, the barrio, is the unit of action for community development.

35. Endorsing the idea of self-help fostered by the Rural Development Movement, the Commission on Local Government in Ceylon recommended that the public works being done by the rural development societies should be done in the future through the village committees, i.e. the lowest type of local authority in Ceylon. The Commission stated that as a result of the Rural Development Movement the village committee feels that it is being supplanted and atrophied and is losing its appointed place in village society. 1)

On the other hand, community development activities can influence and help to create local government institutions, in new settlement areas, where local government does not exist, such as in the Gal Oya valley in East Ceylon. But not only in new settlement areas is community development activity able to contribute to the creation of local government. Of great importance is also the development of community development organs at levels where no local government units exist and where new administrative areas for development purposes have been created. Examples of this situation are the blocks in India and the combined units in Egypt. As a result of the establishment of such new administrative areas a wide range of governmental and government initiated or sponsored activities are undertaken for the area concerned including the provision of permanent services. It seems to be a natural development that the provision of these public services are gradually moulded into a pattern of local government.

36. In India, in particular much attention has been given to the creation of local government units on the basis of community development. Among the recommendations of the Committee of Plan Projects was the proposal that a statutory local self-governing authority should be created at the block level. This proposal appears to be designed not only to get the people more fully involved in matters that affect them as part of a programme of broadening popular participation in government, but also to increase local responsibility for maintaining facilities and activities in areas which have received intensive community development assistance, so that progress will continue after the central government directs its efforts elsewhere. 2) This recommendation has been followed in many states.

¹⁾ Cf. Community Development and Local Government in the country description of Ceylon, p. 23, 24.

²⁾ Public Administration Aspects of Community Development, op. cit., par. 59.

37. The transformation of a community development organization into statutory local government entails many difficulties. The principal aim in this process of transformation should be not to disrupt the process of development.

As the members of a community which lacks local government status realize the value of joint action for common benefit, the urge or necessity to organize themselves on a continuing basis makes itself felt. It may be then that the members are ready to exercise statutory powers of local government.

- 38. In many countries the training of local leaders including local government officials is an important element of community development. This was emphasized during the U.N. Workshop on Community Development in African Countries held in Addis Abeba in 1959. These training programmes are based on the consideration that an effective local government with competent and well trained leaders is of essential value for the development of the community. Often this training is included in the ordinary local training programmes. Some countries, however, have a special programme. An excellent example hereof is the leadership training programme in the Philippines whose main purpose is the strengthening of the barrio council as the unit of action for community development. 1)
- 39. The question of the relationship between community development and local government is rather complicated. In general it has been proved desirable that in community development programmes due attention be given to the establishment and improvement of local government either simultaneously with the planning and execution of the community development programme or as a long term policy resulting from the setting up of a community development organization.

¹⁾ Aspects of National Community development programmes in Asia, Ramon P. Binameira. Training community development personnel and voluntary leaders, U.N. p. 55.

h.X. Central Assistance concerning Legal Problems

1. Introduction. All over the world the increase of state functions, connected with the development of the welfare state, has made the governmental process more and more complex. Obviously, the amount of laws enacted has increased thremendously and at the same time the amount of decisions pertaining to them. These circumstances have increased the need of the local authorities to obtain legal advice and other assistance to keep informed about laws and decisions.

In some countries there are special central agencies occupying themselves with legal problems the local authorities may encounter.

Such agencies may fulfill various tasks, such as the official publication of laws, regulations and legal decisions; the giving of advice on legal problems; conducting studies and research on legal problems; rendering of legal opinions, answering questions relating to local government.

It seems, however, that in most countries various central agencies deal with the different problems.

- 2. <u>Legal opinions</u>. In the U.S. legal opinions can be divided into 3 major categories:
 - interpretation of the state constitution, laws and court decisions;
 - 2. constitutionality of local ordinances;
 - 3. the duties and powers of local officials.

The opinions can be formal or informal, written or oral, advisory or binding. The actual basis for the giving of opinions can be a mandatory requirement by statute or merely at the option of the attorney general.

The opinions of the attorney general constitute an important kind of central technical assistance. The special and technical ability of the attorney general in dealing with complex legal questions are offered as expert advice to local government, thus guaranteeing proper action in particular matters.

A limited number of states restrict their legal opinions to state officials and agencies and will not advise local officials on request. If the attorney general does not offer this service, it may be provided by another department; in Alaska, for instance, the Division of Local Affairs renders opinions. Otherwise localities are dependent on outside agencies such as the League of Municipalities.

In most of the states legal opinions by the attorney general are provided to selected officials, primarily district attorneys and/or various county officials. Usually opinions are confined to local attorneys on their request. The statutes concerned commonly specifically limit opinions to a class of local officials.

Opinions are usually rendered on questions of interpretation of state statutes and definition of the powers of local officials. Generally, legal opinions are very much technical information on specialized matters provided on request of the local authorities. The number of opinions rendered each year vary widely in the states. Informal opinions may be given daily but in any event exceed the number of formal opinions and in some states run into the thousands. Formal opinions are usually not only written but also published periodically, and are available for wider use and circulation.

Some states provide legal opinions to all local officials on request. More states in this category provide opinions in all three categories - interpretation of state constitutions, laws and court decisions, constitutionality of local ordinances and duties and powers of local officials. These opinions are informal or formal, but are most often written. They are almost always advisory.

In comparing the two groups of states, those rendering opinions for selected officials and those providing opinions for all local officials, there is little difference in the form of the opinion. Generally, in the latter case there is no specific statutory sanction for the action. Whereas in the former, official sanction exists in the attorney general's supervisory powers. The latter category appears to be more a part of the development of services supplied by the attorney general or the state to local officials and is broader and more flexible. 1)

3. In the Philippines the provinces, municipalities and cities are aided in the interpretation of laws and ordinances by opinions or advice from the Office of the Provincial Attorney, Department of Justice. The Provincial Attorney aids the municipalities within the province he is assigned to in the proper application of the laws to be followed in the enactment of ordinances.

In Japan, it is reported that the central government gives legal advice to local governments through answers to questions presented by the latter either orally or in writing. General legal problems are explained in directives sent by the central government to local government as well as at conferences and seminars.

The Ministry of Local Government of Western Nigeria does not have a legal department of its own, but it has access to the law officers of government whose work is organized under the Ministry of Justice. Whenever any legal problem arises in respect of the local government law either from the point of view of interpretation or enforcement the advice of the law officers is sought. There is, however, no arrangement whereby the councils are helped to solve their legal problems.

In Thailand, local government units may ask the Ministry of the Interior for legal advice. The Ministry in most cases gives the final decision that binds all local units. It also provides legal services regarding the scope of local financial power.

Some Brazilian states have established a special department of municipal affairs to render services to municipalities in need of assistance such as legal advice.

4. Official publications. In most countries a central governmental agency publishes an official periodical containing a collection of the laws and regulations. The decisions are also published, sometimes in the same periodical, sometimes in a different one.

For instance, in Korea the Office of Administrative Affairs issues two official reports - the legislative Monthly and the Government Gazette on national laws and regulations and actions of the judicial agencies.

In Vietnam the laws and regulations are published in the Official Journal of the Republic, which is issued weekly and may have special editions. In addition to the Official Journal, the Secretariat of the Presidency of the Republic publishes chronological and analytical collections of laws and regulations.

¹⁾ State Technical Assistance to Local Governments, op. cit., p. 25-27.

In the Republic of China a number of government agencies publish official bulletins, carrying the latest published laws, regulations and ordinances.

Also in Thailand the Ministry of the Interior issues periodic reports on changes in national laws and regulations, as well as important judicial decisions.

In Indonesia, the government publishes all of its laws and regulations in the State Gazette.

In the Philippines, all changes in national laws and regulations are published in the Official Gazette, a government publication. Also judicial decisions are published there.

In Japan, the central government also publishes reports of changes in national laws and regulations and other actions of the judicial agencies.

The government of Western Nigeria publishes a weekly gazette through which all changes in national laws and all regulations are notified to the public. Local authorities are expected to buy this publication. Whenever a law or a regulation has special implication for local authorities, the Ministry of Local Government issues a circular to explain it.

5. Assistance in drafting bye-laws. In many developed countries use is made of advisory assistance when bye-laws are drafted. In the U.S. attorneys general generally do not offer assistance in the drafting of local ordinances; however, they will upon the request of the local government or more particularly, the local representative in the legislature, assist in drafting local bills where there is no drafting service.

In South Carolina and North Dakota the attorney general occasionally assists in the drafting of local ordinances. In Mississippi and Florida they provide help in the drafting of local bills for introduction to the state legislature. 1)

In Ceylon, a Legal Draftman's Department is established. All subsidiary legislation of local authorities which require the approval of the Minister and the Parliament are prepared by the legal draftsman.

In Western Nigeria bye-laws have to be approved by the Minister and are usually processed in the Ministry with the help of government law officers.

In a number of developed countries use is made of the so-called adoptive bye-laws. Either the central agency dealing with local government or the various ministries concerned draft adoptive or mode-bye-laws. The local authority can adopt these with little or no alteration, to shorten the process of numerous comings and goings between a local authority and the ministry involved to finally find the appropriate wordings. The drafting of bye-laws which can stand the test of the courts is no easy matter. Consequently, before bye-laws are approved they are closely scrutinized to ensure that they correctly incorporate the intentions of the council, are intra vires the law, and free from ambiguity. The legislative provisions which individual councils may wish to make in respect of the same subject do not normally vary to any appreciable extent. Methods of controlling certain subjects do not differ from one part of the country to another. It is obvious that especially in the developing countries where local authorities are inexperienced and understaffed, such a service would be very welcome. It should be realized, however, since this method is so simple, that councils are inclined to adopt each and every bye-law made by the central gov-

¹⁾ Ibid., p. 28.

ernment, forgetting all about them afterwards. There is little point in making subsidiary legislation if the will and the means to enforce it are absent. 1)

- 7. It may be emphasized that this assistance may be of real value in the developing countries which have little experience in the drafting field and lack competent personnel. On the other hand, however, the local authorities are thus deprived of the possibility to learn from their own mistakes. From an educative point of view the local authority may learn more from a withholding of approval of a bye-law by the central government and a subsequent re-drafting taking into consideration the indications of the agency concerned.
- 8. When the central government has the power of approval and consent of the bye-laws which the local authorities are empowered to make, usually the legality and timeliness are examined. This can be done in a very formal and strict manner, which may result in an endless re-drafting of the bye-laws until finally approval is obtained. However, in an informal way the central agency concerned can inform the local authorities of the neglects and omissions and suggest a form which will obtain approval.
- 9. Study and research. Also in the field of legal services, the central government assistance in the form of the examination of specific problems can be of invaluable importance. Especially in the developing countries such studies dealing with subjects such as drafting problems of bye-laws, interpretation of laws relating to local government and the interpretation of relevant judicial decisions could form an important basic study material for the local authorities.

In many developed countries this task is fulfilled by University Departments or special Public Administration institutes or a national association of local authorities. Although most countries operate Universities for a purely academic pursuit and do not provide direct services to local governments, the Universities may act to respond to the call of the local governments for technical advice. Thus at the request of one or more local authorities a special research project may be carried out to the benefit of all local authorities.

Vietnam, for instance, reports the existence of a National Institute of Administration which has a Research Division which may be charged with the study of any problem involving local administration.

10. Consultation. Some countries, for instance Vietnam, have a special member of the bar, bearing the title of "governmental lawyer" who has the task to provide judicial consultation requested by the central government or local administration. He assumes the defense in all civil and administrative cases filed by private persons.

¹⁾ I.D. Cameron and B.K. Cooper, op. cit., p. 55-58.

Ch.XI. Central Assistance in the Field of Purchasing

1. Introduction. It might seem a little far-fetched to advocate in any way the rendering of central services in a field like purchasing local supplies. The purchasing field seems an area in which fear for state interference with local interests is generally encountered, while it may also be supposed that the local authorities desire to buy locally and to retain control over their own purchasing practices. Moreover, the localities are wont to consider purchasing a vital part of their domestic sphere of influence.

On the other hand, experience in the U.S. has shown that in the states where statutory provisions make state assistance in this field optional,

these are frequently used by the local authorities. 1)

The general growth of government activities in connection with the development into a welfare state has directed both the central and the local governments into many spheres of economic action. This brings about that all local authorities have been forced to enter on an ever growing scale the formerly purely private business sector, to purchase all kinds of goods. This brings about an enormous increase of expenditure, which makes valuable any kind of assistance to stimulate local concern in the purchasing area and to improve their purchasing practices. Therefore, when other institutes, or conferences of local authorities to supply information, advice and assistance in this field are lacking, the central government may well feel inclined to provide such services, based on its own experience, while it may make a more effective use of its own agencies and institutions when rendering services to the local authorities.

2. Purchasing of Goods. In general, the central and local governments have become large scale consumers and buyers of goods, and they have

had to resort to the most modern purchasing techniques.

In the U.S., in most states centralized purchasing is practiced. Many states have made purchasing a part of an integrated management department; others have created special purchasing agencies, while still others assign the job to the existing financial agency. Centralized purchasing for local governments has only recently been taken in hand. Total local purchases may not warrant the creation of a separate agency with specialized personnel. Many states which have adopted and expanded their own purchasing services, have in turn made these services available to the local authorities. 2)

The most simple and therefore the most obvious way for the central government to improve local purchasing is to purchase the goods directly for the local authorities. A limited number of states in the U.S. is authorized to purchase for the local authorities through the state purchasing agency. In most of the states which provide this service, it is used rather frequently by the local authorities.

- 3. In Alabama, the local units are required to make all purchases (except land) through the state purchasing agent or under his supervision. A number of states provide for state purchasing for specific classes of local government. The North Carolina Department of Administration, Purchase and Contract Division is required by statute to purchase, or supervise and approve purchases for local and county boards of education. 3)
- 1) State Technical Assistance to Local Governments, op.cit., p.30.
- 2) Ibid., p. 28, 29.
- 3) Ibid., p. 29.

- 4. In the Republic of China, government purchasing is not centralized. However, regulations concern the procedure of purchasing, utilization, distribution, custody and inspection. Construction of buildings, purchasing of materials and sale of public property are all subject to these regulations. 1)
- 5. In Vietnam a purchasing agency was established by a decree of 1956, dependent upon the Directorate General of the Budget and Foreign Aid. To this agency, which undertakes the purchase of goods from abroad or within the country the local authorities may turn for assistance. 2)
- 6. In Indonesia, each local unit has a Committee on purchasing. This Committee is authorized to purchase and store supplies having a maximum value of Rp. 250,000. A Central Purchasing Agency deals with those purchases of which the price exceeds the above mentioned amount. The local committees on purchasing and the Central Purchasing Agency have systems of issuing advice on prices and location of supplies. The quality of materials purchased is controlled by a Committee on Purchasing or the Central Purchasing Agency. 3)
- 7. Reportedly, in Thailand, Korea and Japan, no central services are provided in the purchasing field. However, in Korea the local government gives appraisal and advice concerning the purchase, storing, prices and location of supplies. In Japan, the creation of such an agency is considered unnecessary, since the specifications, quality and inspection of supplies purchased are regulated or fixed by law. In Thailand, a committee has been established which checks every big purchase.
- 8. In the Philippines, the Central purchasing and procurement agency of the Government is the Bureau of Supply Coordination under the Department of General Services. It is in charge of all requisitions or purchases of supplies of national and local units. The local governments may purchase directly if:
 - 1. the prices they pay do not exceed prices set by the Bureau of Supply Coordination;
 - 2. examples of materials and equipment to be purchased are pretested by the proper government agency;
 - 3. purchases are made at public biddings. The Bureau issues quarterly price lists and specifications.

The General Auditing Office checks the quality of the materials to see whether they are in conformity with the contract specifications. 4)

¹⁾ National Report Republic of China, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

²⁾ National Report Republic of Vietnam, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

³⁾ National Report Indonesia, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

⁴⁾ National Report Philippines, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

9. Other Services in the field of purchasing.

- a. Besides purchasing goods directly for the local authorities, the central government may publish specifications for certain goods, which can be distributed or made available to the local authorities. If the central government supplies these specifications on the basis of its own purchasing experience, the localities have available a set of standards which they can apply themselves. Some states in the U.S. prepare a list of specifications for particular items on the request of the locality. Such specifications are of great value, since it offers a broad range of judgment to the localities and thus guarantees more efficient local purchasing techniques.
- 10. b. Of importance to the purchasing local authorities is knowledge of and familiarity with sources of supply. In the U.S. many states will advise the localities on such sources and even evaluate them on the basis of their own experience. In this way the locality obtains useful knowledge in seeking bids and can often assure a high levelled quality. The localities can benefit from the wide experience of the state and avoid unnecessary pitfalls.
- 11. c. Of vital importance to the local authorities is technical advice concerning specific products and reasonable prices. Such information enlarges the chance of sound purchasing procedures. As was mentioned before services of such type are provided in Indonesia, Japan and Korea.
- 12. d. There seem to be various other services which can be rendered by the central government in the purchasing area. In some countries the central government provides bid forms for local use, saving the local authorities the trouble of composing them and guaranteeing the quality. Some states in the U.S. will even supply bid results on the request of the local authorities.
- 13. e. A number of states make copies of contracts available for local use as a standard or guide for their own contracts.
- 14. f. In Vietnam, there is a general procedure applicable both for central and local governments for the establishment of contracts for the supply of materials and services made with private persons. This procedure is designed to obtain the best prices and conditions for the execution of all contracts. It also provides for the establishment of supervisory commissions to insure the correct execution of the contracts.
- 15. g. Some states in the U.S. which possess laboratories may even test products for localities on their request. This can be of great importance to the localities, since for most of them it would not pay to establish their own laboratories. If the states developed this practice, an important technical service could be thus rendered to the locality.
- 16. Evaluation. In general, it seems that a fairly developed relationship between central and local government is necessary in order to make possible and desirable services of the kind discussed here. To make services in the purchasing area valuable, the local authorities should have acquired

such a degree of development, that they are able to purchase on a rather large scale. Moreover, through the supervisory and control devices, the central government usually already possesses a certain influence in this field.

- 17. It is, therefore, not surprising that the U.S. report a rather varied scheme of services concerning purchasing, while many of the developing countries have little or nothing to mention in this area. Some of these countries mention central provisions for the storage of supplies which may take place because the local authorities still lack the necessary skill, space and personnel to deal with storage problems.
- 18. It would seem that a national association of local authorities could be a most helpful body to assist the local authorities with problems in the field of purchasing. Through such an association the local authorities could to a certain extent even make common purchases on a rather large scale.

h. XII. Central Assistance in the field of Programme Improvement

1. Introduction. In the national reports some countries mention that central services are rendered in the field of programme improvement. This concept includes measures to increase the efficiency of local administration, i.e. by studying organization and methods, by organizing training programmes for personnel, etc. In general, all those measures to increase the technical skill and ability to handle local government affairs.

It is obvious that many services in this field are related to those which have already been dealt with. For instance, there is a financial aspect to this problem, the training of personnel will constitute an important facet of increasing skill and efficiency, while especially measures of supervision and control can contribute much in this area. When the controlling authorities apply their competence in an educative and understanding way, they can strengthen the powers of the local units and encourage the improvement of their working techniques.

- 2. It would seem that also in the field of programme improvement a reasonable degree of development of central-local relations is necessary, in order to warrant studies and discussions on programme improvement.
- 3. Research Committees and Study Projects. In Korea the central government has a research committee on local administration to advise the Ministry of Home Affairs on problems pertaining to local administration. 1)

In Vietnam the National Institute of Administration, a central agency directly under the Presidency, is composed of specialists competent to study organization and methods problems, as well as problems of central and local administration. 2)

Indonesia reports that it does not have special technicians available to study organization and methods problems of local administration, but that experts of the central government deal with such matters. This country reports also that the technical departments are charged with evaluating the effectiveness of various activities of the local units as well as with determining how these activities may be ameliorated. 3)

Also the Republic of China reports that it has no special programme to better organization and methods. A few years ago the Taiwan Government created a committee for the promotion of Administrative Efficiency which, among other things, studied the means for simplifying administrative procedure. 4)

In the Philippines the management analysts of the Management Service, Budget Commission, may be consulted. This agency conducts regional seminars for local key officials throughout the country to make them aware

¹⁾ National Report Korea, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

²⁾ National Report Vietnam, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

³⁾ National Report Indonesia, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

⁴⁾ National Report Republic of China, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

of the need for management improvement. Also the Institute of Public Administration and the Community Development Research Council have undertaken several research projects concerning the problems confronting local government, and have given some recommendations with regard to their solution. 1)

In Japan, reportedly the most important methods for the improvement of administrative effectiveness and reinforcement of activities of the local authorities are - aside from the training of personnel - the carrying out of research projects and the publishing of the results. It is reported that one of the main duties of the Autonomy Ministry is to carry out researches on organization and management problems of local government administrations. 2)

In Western Nigeria the local authorities are helped constantly by the advice and practical assistance of all field officers of government. Doctors, engineers, education officers, land officers, agricultural officers, are all expected by the headquarters of their ministries to render such assistance as part of their duty in the field.

It is the duty of the field staff of the Ministry of Local Government to study how local government councils are carrying on their functions and to make suggestions from time to time about improvement methods.

- 4. Evaluation. Especially in the developing countries where the local units bear still very much the character of field units, and where the supervisory and control devices are exercised in a strict manner, there seems to be little from for services in this area. Some of those countries answer the question with the statements that the central government has a system of inspection of the local government units, while inspectors may come up with suggestions. This clearly indicates that the concept programme improvement is only seen as a facet of supervision and control.
- 5. It seems that a national association of local authorities would be a most competent body to deal with problems of this nature. Since many of the problems encountered will bear a more or less technical character, the possibility of comparing situations and difficulties come across in the various localities is most educative and useful. However, also in this area the central government will have to provide services, as long as such an association of local authorities has not been established or has not yet sufficiently developed.

¹⁾ National Report Philippines, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

²⁾ National Report Japan, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

Ch. XIII. Supervision and control

1. Introduction. It seems appropriate to dedicate in this connection some attention to the concept of supervision and control. If the principle of central services rendered to local government is adhered to and genuinely believed in, the question might be posed whether it does not seem contradiction.

tory to include a section dealing with control.

However, it is submitted that although the terms applied remain "supervision and control", the general attitude towards and the effect and the application of control may change to such an extent that it can also properly be considered a central service. This is the case in all those instances in which control helps autonomy instead of hampering it. In other words when control is considered and applied as assistance to local authorities to help them to help themselves, instead of as a pressure in the negative sense consisting merely of approval and denial of requests, proposals and activities of the local authorities. This trend was already emphasized before. Also in a recent report on Local Government in Saskatchewan 1) and in reports prepared for the Eastern Regional Organization for Public Administration 2) this trend was indicated.

2. Since control may take various forms some of its aspects have already been delt with under various headings, such as approval of the budget, approval of bye-laws, drafting of model bye-laws, legal advice, appointment and discipline of local personnel, etc. However, it is intended to reconsider the old definition of supervision and control and to show that indeed, in practice a change of character has already taken place.

There seems to be a definite need for a working philosophy for centrallocal relations in the developing countries, which reconciles the need for certain controls over local government activities with the degree of local

discretion necessary for the vitality of local government.

In the developed countries it has been since long accepted that decentralization is a form of autonomy, but not of independence. Therefore, it is considered a normal procedure for the central government or the local representatives of the central government to exercise a certain amount of control over the decentralized authority, though this control must not be so strict as to make really effective decentralization impossible. The argumentations in favour of central control over local authorities in the developing countries are based besides the ultimate responsibility of the central government for functions of local government on the need for certain minimum standards of services. It should be emphasized, however, that in the developed countries as a rule these elementary standards are not aplied. Although the need to safeguard certain minimum standards of services may occasionally be relied on in order to allow the exercise of rights of approval or annulment, usually this will not be formulated as an independent standard, but will be derived from a statute. In the Netherlands, for instance, the general standards are: the statute in question, the public interest, the principles of proper administration. In some instances reference is made to the interests which the statute concerned meant to serve.

¹⁾ Local Government in Saskatchewan, a report submitted to The Government of Saskatchewan, March 1,1961 (Regina, Sask.).

²⁾ Reports prepared for the EROPA Conference in Manila, Philippines in 1960, by the various participating states, dealing i.e. with "Problems of Local Self-Government".

- 3. Control may be considered under three heads:
 - 1. Legislative control: This is the most obvious form of control, which is exercised through the legislature itself. A body which can pass, amend or revoke a local government law is manifestly in a position of great authority vis à vis local government councils.
 - 2. Judicial control: In many countries the judiciary is allowed to interpret the legislation. By approval or annulment of local government legislation this kind of control is exercised. Of much less importance is the control of a punitive character occurring in some countries. In these instances the councils can be punished for failing to obey the laws in force in the country.
 - 3. Executive or administrative control: This is the kind of control of the greatest importance and usually encountered. Control of this type is involved everywhere: approval of estimates, control over general patterns of local authority expenditure, grants, approval required by law before councils enter into contracts involving large sums of money, transactions made by councils in connection with real estate, audit, accounts of local authorities are scrutinized by professional officers, trained to determine whether the financial transactions have been made in pursuance of council's intentions and in accordance with the law, etc.
- 4. According to the Committee which drew up the report on Local Government in Saskatchewan, referred to above, there are four circumstances which justify the exercise of control by the central government:
 - 1. The requirement of universal access to certain basic public services provided at adequate standards.

If the presumption is accepted that no individual should be denied access to a defined minimum standard of certain services, it is illogical to allow the implementation of this right to be entirely dependent on the financial condition of a local authority or upon its vision and ability.

- 2. Since the local authority is usually limited in financial resources the central government is responsible for ensuring adequate means to provide adequate standards of service. 1)
- 3. The ultimate responsibility of central government for the continuous functioning of local government.

This responsibility is most directly assumed in crisis situations when the local authorities are unable to carry out their activities. This warrants to a certain extent the desire of the central authorities to take prior action to forestall such crises, although it is obvious that a thorough going application of this principle would reduce local discretion to negligible proportions.

4. All levels of government and individuals are becoming increasingly interdependent. This fact dictates some degree

1) In the developed countries this question of the financial responsibility of the central government for the local governments is not so much considered as a question of control. However, it is obvious that with financial assistance, especially in the form of grants-in-aid, a certain amount of supervision and control is exercised.

of control by the central government over the local authorities. In some circumstances programmes undertaken by local authorities can be effective only, if similar action takes place in adjoining local jurisdictions. 1)

- 5. As has been indicated before, the modern circumstances work towards enhancing the powers and responsibilities of central governments. With the current ideas of government responsibilities for the economic situation of the country, it is obvious that the government has to be in a position to exercise some control over the expanding local government activities. The total quantity of central control of local authorities has been greatly affected by this pattern of over-all economic planning. In this connections it is interesting that in the U.K. in 1949, a Local Government Manpower Committee was appointed by the Chancellor of the Exchequer to make detailed recommendations about procedures between central and local authorities. Of special interest is the memorandum drawn up by this committee, stressing the need to examine in particular the distribution of functions between central and local government and the possibility of relaxing departmental supervision of local authority activities and delegating more responsibility to local authorities. As main objective was indicated the desire to simplify the methods of departmental supervision over local government activities, to reduce the need for and the extent of such supervision. 2)
- 6. The establishment of standards and uniform procedures. Many public services can be provided only if specialized personnel and equipment are available. Most local governments cannot use such specialized personnel and equipment economically. Modern means of transportation and communication and modern procedures of administration make it more feasible than before for central government to provide or supervise certain services. Since the tide is toward centralization only deliberate policies based on a consistent philosophy on local government can arrest or reverse this trend.

Therefore, more attention should be devoted to the establishment of standards and uniform procedures that will render unnecessary central government attention, i.e. control and supervision.

7. Supervision and control should not acquire a negative content, so as to restrict the initiative, discretion or assumption of responsibility, but should be given a positive content, helping the local authorities to avoid pitfalls and mistakes, strengthening their self-confidence and enabling them to assume growing responsibilities.

Various ways can be designed to limit the amount of supervision and control, and to prevent unwise action of the local authorities, such as the making of guidance rules and insuring their observance. Safeguards against improper or wrong decisions may often be provided by framing rules which will mould the decisions of the local authorities in the right direction. This would bring about that such decisions will be taken on a uniform basis, reducing as far as possible the element of individual judgment and opinion. For instance, the qualifications, methods of selection, and rules and procedures for promotion and disciplinary action for local government staff can and should be laid down in rules.

¹⁾ Local Government in Saskatchewan, op. cit.

²⁾ Cf. Jackson, R. M., The machinery of local government, London, 1958, p. 258.

The same is true for the principles and procedures governing the framing of the budget, account keeping, conducting of meetings of the local authorities, etc. For instance, it can be laid down that not more than a certain percentage of the total income shall be spent on staff. Such rules will prevent undesirable pressures and will help to inculcate in the people the habit of respecting rules and regulations. It is of importance that these rules are clear and easy to understand.

Obviously, making such rules is not enough, there must be developed some method to ensure that the rules are observed, their breaches detected and remedial action taken. There should be machinery and procedure to provide a regular and continuous check on the actions of the local authorities. These should bear the character of assistance and take place in the regular

course of work of the checking authority.

It will also be necessary to provide remedial action against breaches due to inadvertence, neglect or willful disregard. The process of developing such a body of rules can go on continuously in the light of the experience of the institutions and the functioning of the rules, since it will be neither possible nor advisable that all the conceivable rules are framed right at the start. 1)

 $\underline{8}$. With relation to control over budgeting, a proper safeguard would also $\overline{b}e$ to lay these controls down in rules. Here again the best safeguard would be to impart proper understanding and education to the people and their representatives, giving them a sense of civic responsibility and co-operative way of life.

Central government control may well be restricted to submission of annual reports, annual and quarterly statements of income and expenditure, audit of accounts and vigilance over the development plans, so as to ensure that they are in conformity with the state and/or the national plans. This control will have to be exercised by formulating a set of rules which will be developed on the basis of experience gained. It seems often more advisable to have simple, easily understandable rules. 2)

9. The change in the character of control. It is interesting to note that there seems to be a universal gradual change in the character of control, especially in the way in which it is exercised.

It has been expressed that in the U.K. the local authorities found themselves struggling against a mass of control measures, many of which were unintelligible, which made them resent to have to submit so many of their proposals to the central government. The common provision about the preparation and submission of schemes was felt to have gone so far that local authorities felt in many cases they had ceased to be responsible for their activities.

This illustrates the necessity of a wise policy concerning control and an equally prudent way of exercising it. The local authorities might have been prepared to accept a greater measure of central control if it had been clearly directed at the achievement and maintenance of standards in the major services, so that there should be no unduly great difference between one part of the country and another; and if it had been made clear that broad

¹⁾ Cf. Report of the Working Group on Panchayats, Ministry of Community Development and Cooperation, New Delhi (1959), p. 6 et seq.

²⁾ Cf. Towards a New Democratic Order, a publication of the Ministry of Community Development and Cooperation, Government of India (1960), p. 15.

financial control and planning is necessary in order to fit in the local government activities with national policy.

10. It is reported that there is a trend away from the strict control character in the U.K. The administration of several laws, e.g. those dealing with health, poor law administration, are dominated by numerous provisions requiring inspection. However, if the exercise of the central government power was analyzed, it would be found that in recent years inspection, as that term is ordinarily understood, has not been of major importance. It has proved possible to exercise all the necessary control by using other methods.

More and more the requirement of central government approval of programmes and plans takes the place of methods of control. An interesting example in England of such a new device for a more effective control is the "development plan". Its origin lies in the schemes - as under the 1921 Act or the 1929 Local Government Act - which local authorities had to prepare for the central ministries approval, before administering the service. A whole scheme is submitted to the Ministry, which becomes binding after ministerial approval.

It seems that the development plan procedure is an enormous jump forward in central control and is most significant for the future. It would seem to weld together the advantages of local administration and central planning. The scheme emanates from local knowledge: the central ministry has to review it to see that it is up to national standard and does not interfere with the plans of other regions. This is a trend from "permissive" acts to compulsory duties. 1)

It is also reported that in the U.K. there has been a general decline in the use of inspection, whilst in those areas where it still constitutes an important method of control a change of emphasis, approaching a change of purpose has occurred. 2)

11. In France, control over local authorities is carried out in the following ways: the central authorities or their representatives always possess certain disciplinary powers over local authorities, as reflected by the right to suspend or dismiss their elected members and officers and to dissolve their assemblies; and control over the decisions of local authorities. This control is called administrative supervision or administrative control. The decentralized authority enjoys a certain measure of autonomy, but although it is not directly under the orders of the central government, it is subject to their control, which may take a variety of forms. For example, the power of prior approval exists when the decision taken by an authority comes into force only after approval by the control authority. The powers to suspend, annul and amend decisions depend, respectively, on the competence of the control authority to defer the entry into force of the subordinate's decision, to cancel it or to amend its provisions. Under the power of substitution, the control authority may act in place of the authority it controls.

These various types of control are exercised under the French administrative system by means of administrative instruments. The controlled authority enjoys a means of defence against unjustified control by the higher authority, namely, recourse to the Administrative Tribunals for action ultra vires, and in second instance to the Conseil d'Etat for the annulment of an

¹⁾ Finer, op. cit., p. 106, 107.

²⁾ Jackson, op. cit., p. 251 et seq.

illegal act of control. Supervision under French administrative law thus differs from English administrative law, which provides for judicial supervision. Nevertheless, supervision exists only to the extent within the limits laid down by law. 1)

12. In France, instead of control widespread usage is made of the word "tutelage". Decentralization and tutelage go hand in hand. Tutelage is said to comprise "the totality of the powers accorded by law to a superior authority over decentralized bodies and over their actions, granted in order to protect the general interest". 2)

Tutelage can be grouped into two main sections: political tutelage and financial tutelage. The two facets of political tutelage are: control over the personnel of the decentralized authority and control over their decisions. It is submitted that the concept tutelage indicates the same trend away from control in the strict sense which has been pointed out before.

13. France presents an interesting example of prescriptive control. From time to time the Minister of the Interior and the Conseil d'Etat lay down draft or model contracts for the use of the local authorities. This practice has greatly increased recently. The local authorities are not compelled to use these officially sponsored forms, but they are encouraged to do so. When they do, the contract can be approved by a lower controlling authority than when they do not, e.g. electricity supply concessions granted by Communes or syndicats intercommunaux require only the Prefect's approval if an official draft contract is used, but if it is not then a Decree of the Conseil d'Etat is necessary. Gas, transport, water, sewage, all are covered by this type of prescriptive control. Approval by a lower tutelage authority, naturally means considerable time saving, and perhaps more sympathetic treatment.

Another, and stricter method of administrative control over the local authorities is when the Minister insists upon uniform procedure. E.g. conditions of service, pay and recruitment for officials must now conform, to a large extent, to national standards. In these matters the liberty of the local authorities is largely theoretical, except for the important choice between action and inaction. If certain powers are exercised at all, they must be used in ways prescribed by the state. This procedure has been called "liberté canalisée", (canalized liberty), one of the most striking transformations in modern administration. However, the resilience and obstinacy of small authorities who prefer inaction by nature and who are now reinforced by fear of state control in this attitude, may be underestimated. 3)

14. An illustration of the gradual change in the character of control has been given by Finer:

"The Inspector may begin as a kind of disciplinary invigilator, merely to see that the law is complied with, supported by the

¹⁾ Decentralization in France, report submitted by Mr. Roger Bonnaud-Delamare to the U. N. Working Group on Administrative Aspects of Decentralization for National Development, 1961.

²⁾ Chapman, Brian, Introduction to French Local Government, London, 1953, p. 124, 125.

Ibid., p. 138.

sanction of withdrawing promised grants by the central authority. But in the course of time, he becomes considerably more, undergoes a transfiguration as the potentialities of this human link between the human beings at the centre and the localities are appreciated. He becomes the repository of central knowledge, wisdom and tradition; he learns from the diverse experience of the different places and people he observes and can offer comparative, sifted knowledge about the alternative ways of fulfilling the same task. He can become a skilled advisor; a beneficial mediator as well. For he can, being human, carry all the diversities and nuances in creative solution - seeking mind, be talked to, be influenced, answer back - the services that a letter or phone conversation cannot allow in such measure or even kind. He can see both sides of the case with empathy . if he is properly selected - and represent the situation of the one to the other, and re-correct each other's impressions of intentions and motives. This assists in getting things done with the maximum of persuasion, the reduction of coercion, the best adaption of measure to purposes, and the improvement of morale. "1)

15. It is clear that the daily contacts between central government officials and elected and appointed members of local authorities determine to a large degree the pattern of central-local relations. A long-term trend away from situations in which the central government officials' work with local government was essentially inspectional in nature to a complex of relationships where the central government officer acts primarily as advisor and consultant to local authorities was generally observed.

16. In this connection it is interesting to note that in Saskatchewan the changing rôles of provincial officials in education, municipal administration and health services are described, while it is indicated that this gradual change from inspector to consultant appears to be a general one.

With regard to the superintendent of schools it is stated that he has changed from "inspector" to "educational leader". In the past two decades a very pronounced change has taken place in the theory and practice of educational supervision. Before that time the aim of each inspector's visit was to ensure the enforcement of relatively explicit educational standards. Some years ago the provincial policy moved away from what has been described as "the old centralized system of supervision with its autocracy, its voluminous reporting on teachers and its emotional strains". The new developments were described as follows:

"In 1946, a completely new approach to in-service education and supervision was adopted by the Department and other participating bodies. The superintendents were instructed that their chief function in their communities was educational leadership and not inspection. They were encouraged to regard their visits to class rooms as opportunities to assist teachers to solve their problems." 2)

This trend has been described as a trend "toward a kind of leadership in which autocratic direction gives way to guidance and a more liberal sharing of responsibility". The new rôle of the superintendent in both theory

¹⁾ Finer in foreword Harris, John S., British Government Inspection, 1955.

²⁾ Provincial-local administrative relations; A technical reference document to the Report Local Government in Saskatchewan, 1961, p. 41.

and practice has been characterized by first, a movement from periodic inspection towards continuous participation and, secondly, an increasing use of influence rather than regulatory methods.

17. The same trend has caused the change from Municipal Inspector to Municipal Administrative Advisor. The general direction of the new municipal administration policies has been outlined in the 1959-1961 Report of the Department of Municipal Affairs of Saskatchewan:

"The routine inspection of all municipal offices has been dispensed with and complete inspection is now made only when the situation and circumstances warrants it to be done. The inspectors are devoting more of their time to assisting and advising councils in respect to their duties. They are also making a study of the financial position and general administration of the municipalities and subsequently meeting the councils at their regular meetings when possible with a view to encouraging them to better the financial position and improve the administration of their respective municipalities". 1)

The major part of the work of the advisers is now with councils rather than with municipal secretary-treasurers. The municipal inspection service has become very largely advisory in nature.

18. A same change has taken place in the attitude of the public health officials towards their tasks. In all health activities of the regions the emphasis has been on the educational rather than on the "police" aspects of public health. It is of course true that the department still carries on inspections and that explicit controls relating the sanitation, communicable diseases, waterworks and sewage systems are still employed. However, the new emphasis is on education and persuasion rather than on procedures for formal enforcement of explicit standards.

It is stated in the report that the trend away from inspector to consultant is a general one. The major characteristics of the development were described as follows:

- 1. the traditional official enforced relatively explicit minimum standards usually embodied in legislation or administrative regulations. In many cases the new standards are less explicit and are embodied in the day-to-day judgments of professionally trained provincial officials;
- 2. the inspector had explicit sanctions to compel adherence to provincial standards and did not hesitate to use them. At present there is a tendency to bring sanctions into play only under most unusual circumstances;
- the contacts of the inspector with the local authorities were usually sporadic and often consisted of formal inspections. The present pattern of relationship is more continuous and less formal;
- 4. in earlier times the province provided few specialized services to the local authorities. Now increasing number of technical advisory services are offered. 2)

¹⁾ Ibid., p. 44.

²⁾ Ibid., p. 48, 49;

- 19. It is submitted that this apparent modern rôle of provincial officials may operate either to increase or decrease the range of local discretion, depending on whether or not local authorities place undue reliance on the province. Potentially, however, the modern rôle of provincial officials has very great possibilities for increasing the range of local discretion, because the range of local autonomy is increased when the province encourages and assists local authorities to make more rational and deliberate decisions, and because the daily efforts of provincial officials in increasing the effectiveness of local authorities provide an important background for any future policies of gradual relaxation in provincial controls.
- 20. Supervision and control in the developing countries. Obviously the above described and indicated trend toward a changing character of supervision and control is less apparent in the developing countries, especially in those countries where local government is still in an initial stage, while the local authorities bear much of the character of field units. For instance, in countries as Vietnam, Thailand and Egypt, it seems that supervision and control bears a very strict nature and is more likely to hamper the local autonomy, since it interferes with the freedom of the local authorities.
- 21. Reportedly, in Vietnam the supervision and control of the local units are stringent. All the functions of the village council are closely supervised by district and provincial authorities. Decisions reached by the village council can be enforced only after approval by the higher authorities, who can cancel any resolution, inappropriate or incompatible with the laws. After being passed by the village council the budget is submitted to higher authorities for final approval. In case of subsidized expenditure no special supervision is exercised, since higher authorities closely supervise all expenditures of the village councils. The provincial chief is empowered to remove any or all members of a village council.

The preparation as well as the execution of provincial budgets are controlled by the General Directorate of Budget. This agency, being part of the Central Government, assures uniformity in the structure of provincial budgets and in the accountancy of budgetary operations. This agency also acts as advisor, auditor, and controller vis-à-vis the local government in financial matters. It insures that local government expenditures do not exceed budgetary allowances, while all expenditures of any importance are submitted for prior approval. 1)

There seems to be a tendency to increase the assistance of the central government to the local units in Vietnam, which, however, at the same time means an increased intervention by the central government in the affairs of local administration.

It is not surprising, therefore, that one of the last questions of the questionnaire referred to above - what crucial observations are to be posed concerning the issue of strengthening central services for the local units - received the answer that the expansion of central services should not violate the principles of local autonomy. Moreover, that it should not create on the part of the local authorities a spirit of dependency upon the central government for the satisfaction of local needs.

With the exception of the village, which definitely enjoys some degree of autonomy, local units in Vietnam are outstanding examples of field admi-

¹⁾ National Report Republic of Vietnam, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

nistration with hardly any freedom to deal with their own affairs. Local interests tend to be subordinated too often to national interests, while national programmes seem to place an excessive burden on the limited apparatus of local administration. Central services to the local units, therefore, hardly favour these units, but foremost the central government itself.

22. Also in Thailand it is reported that being a highly centralized, unified country, all the services rendered by the local units are actually rendered under the direction of the central government. According to the country report, the central government's services to the local authorities are mainly aimed as control devices. The Minister of the Interior and his field officers have direct and numerous authorities to control all the phases of local government activities.

The ultimate authority to supervise and control any local unit in all its activities rests in the Minister of the Interior with the assistance of the

Department of the Interior.

Changwad in its capacity of field unit controls all units of local administration within its area: units of central government as well as local government units.

Ampur controls tambol, muban, the smallest municipalities, sanitary districts and tambol authorities.

Due to inexperience, the national government and its field administra-

tion impose close control over their activities.

In the financial field the ministry in many cases directly administers the services. It provides uniform accounting systems and advice on their establishment. To a certain extent it facilitates the collection of tax revenues due to local units. It prepares budgets, and provides auditing services. The government also provides all purchasing services.

All bye-laws require the signature of the changwad chief. Local budgets are treated as bye-laws and will become effective only when passed by the assemblies concerned and approved by the above mentioned chief. In case of disagreement between the local body and the chief of changwad, the question will be brought to the attention of the Minister of the Interior, whose decision is final.

The Minister of the Interior can suspend any decision made by a local government unit, dissolve local councils and order new elections. This is usually done on recommendation of the changwad chief.

Even the metropolis Bangkok with its Municipal Assembly, with legislative functions, consisting of 24 assembly-men elected by universal suffrage of Thai residents in Bangkok over 21 years of age, and its Municipal - executive - council under the leadership of the Lord Mayor is by Royal Decree placed under the stringent supervision of the Minister of the Interior, who is charged with the duty of rendering advice and admonition in matters of municipal concern. Under his direction and control, the affairs of the municipality are inspected and examined. The Minister of the Interior has the right to review any act performed in the municipality's name. He is empowered to dismiss the Municipal Council, dissolve the Municipal Assembly and order a new election for that body. He also issues regulations concerning municipal finance, budget management, investment of municipal funds, management of municipal properties, procurement and contractual services by independent contractors, etc. The Minister also orders the conduct of the annual post-audit of municipal accounts to verify the financial condition. of the municipality at the close of the fiscal year, determine what revenues have been received during the period, determine whether expenditures have been made in accordance with law, detect and prevent any possible fraud

and detect errors in principle or calculation. 1)

While the central government officials tend to regard the local citizenry as inadequately educated and irresponsible, local leaders, on the other hand, regard central government minute control measures as intervention and detrimental to local self-government.

On the whole, it seems that Thailand's local government units are far from self-sufficient, either in manpower, or in money and material. It seems crucial to release some of the strict control in order to strengthen local government. 2)

23. In Egypt, the legislature has given the central authorities certain supervisory powers over local authorities, and ordained the local authorities to heed the directions and advice of central authorities.

Technical ministries whose functions were partly delegated to local authorities make periodical inspections by means of their inspectors, of how local authorities are discharging their duties. If the inspector discovers gross negligence, illegal behaviour or undue deviation from the general policy, he reports his findings to the local authority concerned, to his own ministry, to the provincial governor and to the Minister of Local Government.

The Vice-President's supervisory competence covers all the ministries concerned with functions delegated to local authorities.

Moreover, budgets of the local authorities, decisions to contract loans, acceptance of conditional gifts, an additional tax to the principal land tax, fees imposed by the local authorities, long-term leases, or contracts of employment, contract of repairs, if their period exceeds seven years, emergency expenditure, not written in the approved budget, delegation of authority by the council to one of its committees, concluding of a contract by the council to one of its members, transfer of one of the officials of the council to another council, etc., require approval by the central government.

Besides the list of cases where decisions by local authorities require approval by a higher authority, the Vice-President for Local Government is empowered to add other cases to this list, if future circumstances require this.

The law draws a distinction between ratification or non-ratification by the President or Vice-President of the Republic, and ratification or non-ratification by other authorities. In the first case there is no need for motivation or time limit. In the second case the decision of the ratifying authority must be motivated, and must be issued within sixty days. If this period lapses the decision of the local authority becomes executory and is put into effect. 3)

Taken together it is apparent that the supervisory powers of the central government are extensive and leave little opportunity to the local governments to use their own judgment.

¹⁾ The Municipality of Bangkok - 1960, a booklet prepared in the office of the Municipal Advisor.

²⁾ National Report of Thailand, Answers to Questionnaire Central Services to Local Government, EROPA, 1960.

³⁾ Mohammed Abdullah El-Araby, An Outline of Local Government in the United Arab Republic (1961), p. 62-68.

24. On the other hand it is reported that in India the state government is taking positive steps to build up proper relationships between the higher level of representative bodies and the primary bodies at the village level. It is intended that the higher bodies should be more concerned with guiding and assisting primary bodies an co-ordinating their activities, than with controlling and supervising them. The link between the panchayants and the higher level local authorities is not to contain any element of inferiority and superiority. However, the relationship should be based on collaboration in terms of equality and mutual assistance when striving to fulfill the same purpose of advancing the welfare of the people.

The most effective means of control in India is secured by continuous association of State Government officials with the local authorities in the

various processes of planning and implementation.

The village plans and schemes are scrutinized at the block level. The budget of the village panchayat is also subject to similar scrutiny. The block plans are formulated on the basis of the village plans so approved. The block plans in their turn are subject to similar scrutiny by the Zila Parishad and are co-ordinated with the district plans. The district plans are scrutinized, approved and incorporated into state plans.

State government officials at higher levels in the field administration units advise and technically supervise the work of officers at lower levels, both when the latter are employees of a local authority or of the state government. The inspection reports prepared by such officers come up for

consideration at the meetings of the local authority concerned.

The State government and its district representative, the collector, retain certain emergency powers which extend, in any extreme case, to the

supersession of the local authority.

The above seems to illustrate that the trend in supervision and control in India is definitely directed at elements of assistance and guidance. What has been stated about the various plans and schemes illustrates the desire to co-operate among the various governmental levels, which is effectuated through contacts and collaboration. 1)

25. Also in Pakistan, the nature of central government control seems to be educative, which means that the control is exercised not only for the sake of control, but also with a view to educate the local authorities. The government has been vested with the power of general supervision and control over the local authorities in order to ensure that their activities conform to the purposes of the law and are not ultra vires. The principle underlying the Basic Democracies Order is that while power and administration should be localized, knowledge and policy should be centralized.

In the new system the channels of control have been democratized by associating the governor, the commissioners and the tahsil (or thana) offi-

cers with the local councils.

The mechanism of automatic control, i.e. control which assumes the form of self-control by the local bodies themselves, has been provided by requiring the local authorities to prepare and implement a plan. By working according to plan, their activities can be easily self-controlled. as it can be ascertained at any time how far the local body has fulfilled its purposes.

If, in the opinion of the controlling authority, anything has been done or is intended to be done by a local authority which is not in conformity with the law, or is against the public interest, the controlling authority may, by order, quash the proceedings, suspend the execution of any reso-

¹⁾ Patterns of Decentralization in India.

lution, prohibit the intended measure or require the local council to take such action as may be specified. The local authority concerned may, within thirty days of the receipt of the order, appeal against it to the higher controlling authority than the authority who made the order. The authority to whom the matter is so represented shall, within thirty days of the receipt of the appeal, either confirm, modify, or set aside the order.

Moreover, the controlling authority is empowered to give directions to any local authority or any person responsible thereto, to take such action as may be necessary for carrying out the purposes of the Basic Democracies Order. If the local body or person fails to give effect to the direction, the controlling authority may appoint a person or persons to comply with the direction. Further he may direct that the expenses incurred in connection therewith shall be borne by the local authority.

Under the previous system, no definite procedure was prescribed for enquiries into the affairs of local authorities. Enquiries were ordered in most cases for political reasons. Moreover, there was no provision for the suspension of particular departments or institutions of a local body. Where a particular department was inefficient, but other departments functioned well, the only remedy laid in either letting the things drift or suspending the entire local authority. Both courses had their drawbacks, as contrasted with the new provision which deals effectively with such cases.

A local authority may be superseded if the government or the commissioner, depending on the level of the local body, is of the opinion that it is unable to discharge or persistently fails in discharging its duties. Other reasons are the inability of the local authority to administer its affairs or to meet its financial obligations or if it generally acts in a manner contrary to the public interest or otherwise exceeds or abuses its powers. 1)

- 26. In the above it has been attempted to compare the character of supervision and control and the ways of exercising it in two different classes of developing countries. On the one hand there are countries like Thailand, Vietnam and Egypt where the control bears a strict character and leaves little freedom to the local authorities, on the other there are those countries of which India and Pakistan are examples, where there is a conscious attempt to guide and assist the local authorities to improve their ability to carry out their tasks.
- 27. Evaluation. As has become apparent from the foregoing examination some degree of control of the local authorities by higher local bodies and/or the central government is generally exercised and accepted in all countries. However, there is always a danger of the higher body usurping and killing the initiative of the lower body. The relationship between the institutions at different levels should not be on the basis of hierarchy, of superior and inferior, but on the basis of collaboration, while each has its own separate existence and its own field of activity.

Especially in the developing countries it is of importance to realize when the question of rendering central services to local authorities is examined, that very few local bodies, with the exception of the larger ones, have a staff sufficiently capable and qualified to carry out the duties concerned. Therefore, the central government can very usefully apply its powers of control and supervision towards educating the local officials to help them carry out their tasks properly.

¹⁾ Musud-Al-Hasan, op. cit., p. 231-233 and the Basic Democracies Orde 1959, Part V, Chapter II, articles 74-78.

28. It has become clear that whatever may be the scope of central controls, in any country, they can be applied sympathetically or harshly. This depends very much on the national tradition concerning supervisory measures, but also on the temperament of the officers concerned.

It has generally been advocated that it would be most useful if the central government officers would visit the local authorities and carry out their controls on the spot. This gives them an opportunity to discuss the relevant facets of the work with the councillors and their staff. An obstacle to the smooth working of central-local relations, experienced in several developing countries is the absence of local professional officers, particularly financial and legal officers, able to talk on equal terms with the central government officers. The only way to overcome this obstacle is training, but this will take a long time to have effect. Every country should devise its own interim solutions for this major problem.

29. In the foregoing much emphasis is laid upon the change in character of supervision and control, a trend which seems to be rather general and especially apparent in the developed countries. However, it has been shown that some developing countries show a development in the same direction. In those cases the supervisory relationship is not that of a subordinate willing to obey a superior, nor of the central governmental officer exercising authority. This relationship has been called "influence". 1) Instead of exercising authority, the official frequently will be advising, consulting with, or providing some sort of service for the local official who is being supervised.

The various supervisory devices, such as reports, inspection, advice, grants-in-aid, approval, review, orders, ordinances, etc., in general aim at stimulating the local authorities and to prevent them to undertake unwise affairs. Especially when the above observed change of trend in supervision is kept in mind, it is clear that it is difficult to describe supervision. Apparently the words used to describe supervisory activities and the persons exercising them show a certain evolutionary development and change over a period of time.

30. In Kansas, there were in the earliest period inspectors, whose title after some years was changed to supervisor, and more recently the supervisors have been renamed and are now consultants. The change in job titles is indicative on the change in thinking about the process of state supervision from a negative to a more positive approach. 2)

Experience has taught the supervisory officials that these purposes can be accomplished more readily in an atmosphere of mutual respect and confidence. While much may still have to be done in this direction in many countries, there is a growing recognition that the entire approach towards supervisory measures should at all levels be educative and conductive to the growth of the local authorities. In some cases there is the tendency to include local officials in the preliminary discussions of any changes in the national programmes and to explain fully to the local officials the problems facing the central government which makes certain actions necessary.

¹⁾ Herbert Simons, Administrative Behavior, New York (1948), p. 125-130.

²⁾ Clarence J. Hein, State Administrative supervision of Local Government Functions in Kansas, University of Kansas Publications, Governmental Research Series No. 12 (Lawrence, Kansas).

SOME SPECIFIC INSTITUTIONS RENDERING SERVICES TO LOCAL AUTHORITIES

Part III

. I. National Associations of Local Government

Par. 1. Introductory remarks

It would seem fitting to include in a study on central government services to local government a chapter dealing with some specific institutions that render services to local authorities. Reference is frequently made in this study to such institutions, which give help and assistance to the local authorities in a given country from a central point, without actually being central

government agencies.

The first institution to be mentioned in this part of the study is that of national associations of local authorities. Not only because these associations are to be found in many countries and often render most important services to the affiliated local authorities, but also in view of the fact that their significance for the strengthening and development of local government has still another aspect, which makes them of outstanding importance. A strong and well-functioning national association of local authorities can not only render valuable services to its members, but also strengthen the position of local governments in the country concerned by the mere fact that it is an organization of the local units themselves which performs these activities. It is clear that this makes the local authorities less dependent on the central government than when they need to apply for these services to the central government. At the same time, it gives them a sense of responsibility, and a common interest with other authorities, which they would not have without such an organization of their own.

The International Union of Local Authorities published, in 1956, a book on national associations of local authorities, containing reports of 64 of such associations (all based on a questionnaire sent to them by the IULA)together with an analytical survey of 57 of these reports. 1) A list of all national associations, the names and addresses of which were known to the IULA head-quarters at that time, is added. It shows that, in 1956, between 70 and 80 of such associations were known at this central point of local government associations. Some new associations came to the knowledge of IULA by the middle of 1962. 2)

2) These associations are:

- 1. The National Municipal League of Thailand (established in 1959).
- 2. The Iran Municipal Association (established in 1956, reorganized in 1961).
- 3. The Association of Municipal Councils in Ghana (year of establishment not known).

4. The National Association of Local Authorities, Ghana (established in 1959).

5. The Western Nigeria Union of Local Authorities, Ibadan (established in 1957).

6. The Local Government Association Eastern Nigeria, Aba (year of establishment not known).

7. The Association of Urban Authorities, Mauritius, Port Louis (established in 1960).

^{1) &}quot;National associations of local authorities throughout the world", International Union of Local Authorities, The Hague, 1956, 339 p.

Although the above mentioned IULA publication is slightly out of date and does not contain reports on all associations in existence at that time - some associations did not answer the questionnaire - it gives a wealth of information and most of what follows has been borrowed from that source. New data, that came to IULA's knowledge - IULA being continually in contact with many associations - after the publication of the above mentioned report, are included in the following paragraphs, in particular those on the new associations referred to above.

On this basis, an outline will be given, in this chapter, of the most striking features of the subject, as regards the structure of existing national associations (par. 2) and their main activities (par. 3). It did not seem possible or desirable to treat the subject in too great a detail or too exhaustively. IULA headquarters at The Hague are always willing to give more detailed information and assistance to those who might require it.

Finally, a short survey will be given of the aims and activities and the history of the two unions of national associations, viz. the International Union of Local Authorities (The Hague) and the Interamerican Municipal Organization

(Porto Rico). (See Annex to this Chapter). 1)

It does not seem possible to state a direct and clear correlation between the services rendered to local authorities by central government agencies, and those rendered by local government associations. For it cannot be said that, where central government agencies perform these tasks, associations do not - or vice versa - or that, in the course of history, associations have taken over these functions from central government agencies. However, a direct connection with the tasks and legal powers of local authorities themselves can be indicated. Associations of local authorities owed their existence, for the most part, to the desire for practical co-operation and an exchange of experience, on the one hand, and to the need for the promotion of municipal interests vis-à-vis higher public authorities, on the other hand, emphasis usually being placed on one of these two reasons. For all this, a certain strength in local government would seem indispensable. It can indeed be stated that in countries with a more decentralized system of government and a strong local government, the existing association(s) are of greater importance and render more services to their members than in countries with a centralized system of government - which is logical when one realizes that the member local authorities together form their association and give to it its character, but could be termed illogical - and indeed regrettable - when one considers that in the latter countries - wherever they are situated - local authorities need to receive more assistance.

It should be borne in mind, however, that most of the national associations in existence (about which particulars are given on the following pages) were established some 40 to 60 years ago and that the situation with regard to newly established associations, which are mostly situated in non-European countries, may be different. From a table, included in the above mentioned IULA publication, giving data on the establishment of 64 associations existing in 1955, the following facts appear. In the European countries, most national associations were established between 1890 and 1925 (six associations were founded outside Europe in this period, viz. in Australia (Victoria), New Zealand, Japan and the United States of America). From 1925 onwards, the great majority of new organizations have been established outside Europe in North, Central, and South America and the Caribbean, Asia, Africa, the Middle East and Australia. Finally, as can be seen above (footnote on page 153), since 1955 two associations have been founded in Asia (Thailand and Iran) and five in African countries (Ghana (2), Western Nigeria, Eastern Nigeria and Mauritius). It is not inconceivable that it will be possible, particularly in the new states, to state a direct correllation between the services rendered to local authorities by central government agencies and those rendered by the new local government associations.

¹⁾ The information on the I. M. O. did not arrive in time for publication.

A final point to be dealt with in these introductory remarks concerns the relation between national associations of local authorities and the central government, and, in particular, the possible influence of the latter on these associations. As appears from what is said in the paragraph on activities in the field of "the representation and promotion of municipal interests vis-àvis higher public authorities", the central government in many countries asks the association's advice on matters of legislation, etc., and this tends to create a rather good relationship between the two. This relationship often underwent changes with the passage of time for while many national associations began activities of this nature by making representations to the government, disputing various issues, later on the government actually came to them to ask for their opinion. (See p. 170).

As regards the influence of the central government, the great majority of the existing associations (at least those whose reports are included in the IULA publication) seem to be free of such influence, even those who receive some financial assistance. (See p. 159). It seems, however, that the risk is always present that central government financial assistance - particularly if it represents a large part of the association's budget - will entail a certain amount of supervision from the central government. This, in its turn, may weaken the confidence of member local authorities in the competence of their organization as the joint advocate and promotor of their interests; and this confidence is essential for the satisfactory functioning of the association.

In these matters, too, it would be understandable if the situation were different in newly established associations, which have not yet the experience of many years which can lead to such a relationship with the central government as described above (or whose activities are mainly in the field of practical co-operation and exchange of experience). In the case of these associations, particularly those in new states, a certain degree of help and supervision from the government may be considered to be the best solution. An example of such a situation is to be found in the constitution of the Iran Municipal Association (established in 1956, and reorganized in 1961), which not only requires the approval of the Minister of the Interior in several cases (the annual budget and the programme of the association, the fixing of the tariff of the membership fee) but also provides for a "Board of Directors" of three members, from which two are appointed by the Minister of the Interior from among officials of the Ministry of the Interior or other government agencies, while the third, an "Executive Director", is appointed by the Minister.

* * *

Par. 2. Organization and structure of national associations

The great majority of national associations of local authorities - if we interpret this term in its strictest sense, for there are also in existence national sections of international associations 1) - have the same sort of structure.

These national sections are to be found in countries where more than one association, affiliated to an international union, are in existence, like Great Britain, Denmark, Germany. To the British section of IULA are affiliated not only the associations of local authorities but also a number of individual local authorities, together with the National and Local Government Officers' Association ("Nalgo") and Societies interested in local government such as the Town Planning Institute, the Royal Institute of Public Administration, etc.

ture in so far as they are statutory bodies, set up in accordance with the pertinent legislation of their country, with a general assembly and one or more other organs, as laid down in their constitution or rules. Some associations are not statutory bodies but consist mainly in an annual meeting of the affiliated local governments (Ceylon). Such a situation occurs mainly in respect of recently created associations and, indeed, a number of the older associations began their existence in the form of regular congresses, with or without a permanent committee (Austria). There is, besides, a great variety of detail in the structure and organization of the various associations.

a. Categories of local government members

There are, first of all, differences between the associations of local authorities in so far as their membership is concerned. This is evident when one realizes how differently local government itself is regulated in the various countries.

In the first place, some countries have different categories of local authorities while others have one category only. In the latter countries there is usually a single association which offers membership to all local authorities. In those countries where there are different types of local authorities there is usually an association for each separate type, the most frequent division being that between towns and rural local authorities. Some associations, however, comprise different categories of local authorities. Some examples of such associations will be given below, under the heading "Representation of members in the various organs".

There is quite often a close co-operation between the various associations existing in one country. An outstanding example of such far-going co-operation is Norway, where the two associations (one of towns and one of rural local authorities, which, in its turn, comprises rural districts and county councils) since World War II, although having each their own executive committee, their own finances, etc., have together one office, headed by one Director. Another remarkable example of co-operation is to be found in Japan, where 6 national associations (prefectural governors, chairmen of prefectural assemblies, city mayors, chairmen of city assemblies, towns and village mayors, chairmen of towns and village assemblies), together with the Tokyo Institute of Municipal Research, set up the Japan Local Self Government Institute (1951), which serves as a central co-ordinating office for the national associations. In many other countries the co-operation between various associations in a country is more incidental.

As can be seen from the above list of associations existing in Japan, some associations are composed, not of local authorities but of mayors or chairmen of local councils. However, this system is rather exceptional. Several associations which, by their name, give the impression of being associations of mayors or of mayors and local authorities, are in actual fact associations of local authorities (e.g. the "United States Conference of Mayors", whose members are municipalities of over 50,000 in population (with some exceptions) or the "Canadian Federation of Mayors and Municipalities", to which any municipal government corporation can affiliate).

In some countries with a federal structure there exists an association which is itself a federation of national state associations. Examples of this kind of association are to be found in the United States of America (the American Municipal Association, which comprises the State leagues of municipalities as well as individual member cities), Mexico (the National Confederation of Municipal Governors of the Mexican Republic, to which also the State federation of municipalities and individual municipalities are affiliated) and Australia (the Australian Council of Local Government Associations, which seems to limit its activities strictly to fostering the common interests of the local

government association(s) of the various States, when called upon to do so).

In the great majority of associations membership is not obligatory. Whereas some of the associations, reported on in the above mentioned IULA publication, did not answer the question whether membership was obligatory, only two answered this question in the affirmative, viz. the Dominican Municipal League, created by law in 1938, and comprising all municipalities and other local authorities of the country, and the Association of County Councils in Trinidad and Tobago (British West Indies), created in its present form in 1952.

In spite of this non-obligatory character of almost all associations, many of them comprise all or a great percentage of the local authorities eligible for membership. Of the 57 reports analyzed in the IULA publication, 24 mentioned that all of the local authorities eligible for membership were in fact members, 6 others that all but one were members, most others stated that a very large majority were affiliated. 1) This seems to be the situation with regard to the newly created associations as well.

b. Organs. Composition and manner of selection. Representation of member-local authorities in the various organs

The variety in the various organs as such is not very great: a general assembly or council, representing all members, and an executive committee or managing board (often composed of a small "executive" plus a certain number of "officers") are to be found in almost all these associations. About 50% of them have another body in between the general assembly of members and the executive committee: a sort of "main committee", which is bigger than the executive and is generally composed of between 16 and 45 or even more members. These intermediate committees are sometimes representative of geographical regions. Usually they are charged with some tasks normally assigned to the general assembly, such as the approval of the association's budget. Some associations, while having a general assembly-executive structure, have an executive of an extraordinary great size: the Council of State Governments of the United States has a "Board of Managers" of 76 members, and the French Association of Mayors has a committee membership of 56.

In some countries the pattern of a general assembly and an executive body is not known. Two important associations in Great Britain (the Association of Municipal Corporations, founded in 1873, and the County Councils Association, founded in 1889) have a Council, representing all members (but not composed of delegates of all members) and a number of standing committees, dealing with the more important subjects and reporting to the Council (according to the rules, the Council conducts the business of the association, but may delegate its powers to committees). Of these standing committees, one is more particularly occupied with the association's activities and policy. The Association of Municipal Corporations has a "General Purposes Committee", whose chairman is virtually the leader of the Association; the County Councils Association has a "Selection Committee" which conducts the domestic business of the Association, e.g. the accounts, and the selection of members to serve on the Association's standing committees. This system is obviously based on the system of local government in England, which does not know a specific executive organ. In general, however, it is the smaller associations which do not have a "general assembly" and an "executive committee" vested with specific powers.

¹⁾ For figures relating to the percentage of the population represented by these 57 associations, see the IULA publication, p. 20-21.

Where there is an executive committee, it is usually elected by the general assembly or council. In those cases where there is a "main committee" in between the general assembly and the executive, the executive may be elected by this main committee. This latter committee itself, which may or may not include the members of the executive committee, is sometimes composed of delegates of regional branches of the associations.

Practically all associations have an annual conference, open to all members, where matters of general policy are discussed, and on the occasion of which officers are appointed. From two associations in Ceylon (the Association of Urban Councils of Ceylon, founded in 1932, and the All-Ceylon Town Councils Association, created in 1948), the latter's report speaks only of an Annual Conference, attended by the entire membership, while the report of former mentions an Annual Conference where the office-holders of the association are selected from among the members. These office-holders are: a President, an Honorary Secretary and Treasurer, and an Honorary Editor and Publisher of the Association's Gazette; these officers are ex-officio members of the Executive Committee, along with 9 other members, elected at the Annual Conference.

The All-India Federation of Local Authorities (founded in 1942), reports that the members of the executive committee (consisting of a general secretary, two joint secretaries, a treasurer and not less than two members from each state) are appointed by the President, who, in his turn, is elected by the Conference of all local authorities in the country, held once every three years.

c. Methods of representation

The method of representation of the members in the various organs varies greatly from one association to another.

When an association comprises different categories of local authorities or local authorities of different sizes, its constitution often prescribes a proportional representation of these different categories or of large and small local authorities in the executive or governing committee. Even in cases where such a rule is not laid down in the association's constitution, it is often followed in practice, in order to guarantee the best possible representation of the members on the executive board.

As for the composition of the general assembly or council, there are many variations to be found here also. Here, too, one of the main problems is that of achieving an adequate representation of the members. This question is solved in the simplest way when every member can be represented directly at the general assembly. The problem is obviously more difficult for the bigger associations, with many hundreds of members, and for those associations with different categories of affiliated members.

The system of a general assembly where all affiliated members can send one or more delegates is found in the majority of cases. The voting system may give one vote per local authority or a varying number of votes depending on the size of the population represented.

Some associations with a large number of member authorities have divided membership into districts and have district representatives convene in the general assembly. This is the case with the National Association of Parish Councils in Great Britain, for example, which has a membership of over 5,000 parish councils and parish meetings. In every English and Welsh county there is a County Association (and in some counties there are also district associations) and every County Association is represented by three members in the National Association's annual meeting.

Another example of a general assembly not comprising delegates of all members is also to be found in Great Britain, viz. in the Association of Municipal Corporations, cited above (p. 157). Although its members are all "municipal boroughs", they belong to different categories, viz. "county boroughs" (83), non-county boroughs (317), metropolitan boroughs (27 out of the 28 boroughs of greater London) and a number of municipal corporations in Northern Ireland. The Association's Council is composed of a fixed number of representatives of each category of members.

Another system is found in the Norwegian Association of Rural Local Authorities (Norges Herredsforbund), which is composed of between 600 and 700 rural districts and 16 counties (the counties each comprising a number of rural districts). Here the representation of the two categories of members is regulated in a different way, with the result that all of the counties

but not all of the rural districts are directly represented.

d. Finances

The great majority of the associations are financed for the most part from members' contributions. Some of them derive revenue from the journal of the association (usually from advertisements!). Some associations ask a special payment for certain services.

Only six out of the 57 associations, whose reports were analysed in the IULA publication, reported that they received funds from governmental authorities other than their members. Three of them received certain amounts from some central government ministries, two others received annual grants from some departmental or provincial governments. The reports give the impression that by far the main income of these associations is derived from the members' contributions, except in one case, that of the Dominican League, which reports on "allowances given by the State from the funds destined for municipal subsidies". Another situation is to be found in the Association of County Councils in Trinidad and Tobago, where the financial contribution of the Central Government plays an important rôle. This Association does not have a membership fee and the Association's work is financed by the Central Government on the one hand and directly by the constituent councils (which pay certain expenses) on the other hand. Whereas the five first mentioned associations stressed that, notwithstanding the grants received by them, they are fully independent bodies, free of any central or provincial government influence, the association of Trinidad and Tobago reported some central government influence, inasmuch as the government "controls the financial side".

In some cases, the association's secretariat is accommodated in the building of a Ministry. If this accommodation is provided without payment this can also be considered as a form of governmental assistance.

As for the membership fees, the great majority of associations have a system of fixing the fee due by members according to the size of the population. Often the subscription is fixed in accordance with a scale dividing the members into groups according to the population; in some cases the subscription fee per inhabitant increases gradually through this scale, in other cases there is a degressive rate, especially for the largest towns. Some associations, comprising different types of local authorities, have different scales for the various groups of members.

Other methods of fixing the membership fees, which are, however, rather exceptional, are: the levying of a percentage of the budget of the member or

a pre-determined fraction of the association's budget.

More often a system is used according to which the subscription is based on the tax assessment - which has, according to the authors of the reports

concerned, the advantage of rendering the association independent of changes in monetary value. Some associations ask a fixed amount per member. In three cases the association-reports analyzed in the IULA publication, mentioned that they had no income whatsoever, since their expenses were very small and were often met by one of the local authorities belonging to the association.

In this connection it is interesting to note that in several organizations certain members provide accommodation or extra funds to aid the association's headquarters in addition to the regular membership fees. For example, the city of Vienna provides office accommodation for the headquarters of the Union of Austrian Towns. Another form of aid is given by individual members if an officer of the association maintains the association's secretariat at the same time as he fills his regular position in the local administration. The Union of Swiss Towns receives an agreed special contribution from the city of Zürich, where the association has its headquarters.

For newly established associations it may be difficult to fix an adequate subscription fee. This may have been the reason for a provision in the constitution of the Iran Municipal Association (which was established in 1956 and whose constitution was revised in 1961) whereby the membership fee was to be paid "according to a tariff which will be proposed by the Executive Director, affirmed by the Board of Directors and afterwards approved by the Minister of the Interior".

Apart from their annual subscription fee, members may be charged an extra payment for all or for certain services received from their association. It is not possible to get a complete picture of this matter, which is, none the less, of great importance. To judge from the reports included in the IULA publication: since more than 50% of them reported that they did not require their members to pay for services and many others did not answer this question, it may be assumed that the great majority do not require any payment. Five of these associations stated that their members must pay for certain services, which are usually such specific services as bookkeeping and auditing. The Swedish Association of Rural Municipalities, which specifies that its members must pay for the auditing of their accounts, adds that, when all members avail themselves of this service, the cost will then be included in the regular membership fee. Another system is followed by the Union of Netherlands Municipalities, which has a special Bureau for the auditing of local authorities' accounts, which serves almost all members of the Union, but whose services are paid for by individual local authorities according to amount of work involved.

It is not therefore possible to distinguish a general principal as regards the system of payment for specific services. On the one hand, the line of thought of the Swedish Association seems acceptable: when all members avail themselves of the service in question, it is logical that the costs of this service should be included in the ordinary budget of the organization, the more so as, usually, the membership fee is based on the size of the population and is, therefore, more or less proportional to the work involved in the service. On the other hand, it is very well conceivable that the work involved, especially in the case of the auditing of the accounts of a member local government, is not at all proportional to the size of the local authority and the membership fee paid. It may be assumed that for this latter reason some associations have chosen the system of payment for some specific services.

e. Headquarters. Special bureaus for more specialized tasks. Committees

When dealing with the structure of national associations, attention should also be given to the internal organization of their day-to-day work. Their or-

ganization is similar in so far as all associations have some location which can be considered as their headquarters, and some staff. In practice there are of course great differences, as the headquarters range from one room (which may be a room in the Town Hall of a member local authority, or a room in a Ministry building, as is the case with the Federation of Rural Parish Unions in Denmark for instance) to one or more buildings of their own, and the staff vary from one part-time or full-time secretary to a staff of some hundreds of officials under the direction of a Secretary General or Director.

There is great variety as regards the actual organization of the activities conducted within the framework of the associations. As will appear from the following paragraph dealing with the activities of national associations, in some cases a special bureau has been created by an association for more specialized tasks, and these bureaus may function as more or less independent units, as regards payment for services and, indeed, as regards membership. As a matter of fact, the question of (extra) payment for these special services seems to have been one of the principal reasons for the setting up of a special bureau. We refer to the Bureau for the auditing of local accounts, set up by the Netherlands Association and mentioned above, and to the "Central Building Office for Rural Areas", set up by the Association of Rural Municipalities of Finland. This latter bureau is not dependent on the Association but is established in the form of a joint-stock company (see p. 164). On the whole, it is difficult in this matter, just as in the matter of extra payment for some services, to discover any special tendency in the systems practised by existing associations. The conclusion seems justified, therefore, that it depends largely on the historical development of a given association whether or not a special bureau has been set up for the rendering of some specialized services. Only when the association co-operates with other institutions and organizations (as in the case of the Finnish Building Office), does it seem the normal thing that a separate body should be established.

In the following paragraph, which deals with the activities of national associations, several examples will be mentioned of special bureaus charged with some specialized tasks. There will also be examples of the establishment of independent bodies, set up by the national associations - in co-operation with others or not - and of other forms of co-operation of national associations with other institutions. All this testifies to the wide variety of forms, which have often developed in the course of many years, in which the national associations of local authorities perform their tasks. Reference may also be made to the analytical survey of the above mentioned publication of IULA, which contains a list of "subordinate bureaus" and a list of "institutions linked with or founded by associations".

Finally, it should be mentioned that many associations have established several standing committees which are composed of representatives of local authorities and are concerned with specific aspects of local government. In the great majority of cases, these committees are engaged in keeping a watchful eye on central government legislation (see p.169) and, as a rule, their rôle is to advise the executive committee or managing board of the association on steps to be taken. Associations with a staff of lawyers and experts in other fields have these commissions also, and consider them as a useful and indispensable means of staying in close contact with their member-local authorities. Not only standing committees but also ad hoc committees are frequently set up, charged with the same kind of tasks. (It also happens that only one hearing is held on a certain subject, to inform the secretariat of an association of the opinions current, at a given moment, in local government circles, before it gives advice or takes other steps).

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Par. 3. Activities of National Associations

It is evident that, since the range of activities of local authorities are very wide and diversified, the same is true for the activities of their associations. Moreover, most of these associations have formulated their aims and objects in such a manner that all activities, intended to strengthen and improve local government through co-operation, come within the scope of their activities.

In a report presented to the 1953 Congress of the International Union of Local Authorities, Mr. Kjell T. Evers, director of the Norwegian Associations of towns and of rural municipalities, stated that the main purpose of nearly all national associations can be expressed as follows: "To represent the common interests of the municipalities, to foster the exchange of experience among them, and to advise the government in the preparation and the carrying out of such laws and regulations as concern the common interests of the municipalities". This definition is demonstrative of the wide range of activities of national associations; from the answers to the questionnaire, sent out by IULA for the publication mentioned above, it was likewise apparent that there is scarcely any area of municipal interest that is outside their realm. The same holds good, in general, for those associations whose activities were not analyzed in this report, among which the newly created associations (although it is obvious that the activities of new associations, as well as their influence, are bound to begin on a more modest scale and to grow in the course of time). In general, there appears to be a trend among associations for further expansion of their activities. It is clear that, in these circumstances, this study cannot give more than a brief outline of the most important activities of the various associations.

These activities can conveniently be divided into two categories:

- 1. the provision of information and advice or the rendering of other services directly to member local authorities (individually or collectively) and
- the representation and promotion of municipal interests visà-vis higher public authorities (usually the central government).

Category 1. A major part of the activities of most associations consists in the provision of information and/or advice to their individual members. Although this information and/or advice may relate to many fields of activity of local authorities, the five following categories of services may be mentioned here in the first place, as it is these that occur most frequently 1): (1) technical advice, (2) legal advice in general, (3) advice on by-laws and ordinances, (4) advice on filing systems, (5) help with budgets and accounts. The following table, borrowed from the IULA publication (p. 30), gives the answers of the associations (totalling 57) as regards their activities in these specific fields:

¹⁾ These 5 categories of services were mentioned explicitly in the questionnaire, on which the reports of national associations, gathered in the already mentioned IULA publication, were based (see p.153). Although information was asked and given on other activities, it is not inconceivable that the data on these 5 categories are more complete than others. We further refer to the remarks on p.154 of this chapter concerning the value of this table in general.

	1	<u>2</u>	<u>3</u>	4	4a	<u>5</u>
	Technical Advice	Legal Advice in general	Advice on By-laws and Ordinances	Advice on filing systems	Prepared own filing system	Help with budgets and accounts
yes no	22 22	37 8	32 12	21 21	12 22	17 27
no answer	13	12	13	15	23	13

From this list it appears that legal advice in general and advice on bylaws and ordinances are among the most frequently given, and this is quite natural. Not only because it is understandable that not all local authorities, especially the smaller ones, will have good lawyers on their own staff, but also because in questions of law - for instance the question of the correct interpretation of a certain provision of a law and, possibly still more, in questions arising on the drafting of by-laws - the experience acquired by other local authorities is of great importance and may be of considerable help. Some associations possess a collection of by-laws which are sent - with or without further advice as to the special situation of the local authority concerned - to any local authority wishing to incorporate a similar bylaw or to change existing regulations. Many of the associations that give advice on by-laws offer to their members model by-laws and ordinances, to guide them in preparing such documents. Since, in most countries, central government is concerned with local by-laws, either because it has to approve some or all of them before they come into force, or because it has the right to annul them afterwards on certain grounds (e.g. conflict with the Law) this service rendered by associations to their member local authorities is of the greatest importance. Indeed, some associations deem these services to be the most important ones they render to their members. Some associations have special committees for the drawing up or the revision of specific model by-laws and sometimes officers of the central government cooperate in some way or another in these activities of the associations.

Particular activity in the field of legal advice is to be observed in some countries (Denmark, Netherlands) where an association has on occasion borne a share of the expenses of one of its members involved in a law-suit, because the latter was in the common interest of all its members.

Technical advice and advice on filing systems are, according to the list given above, also activities which are frequently carried on. This, too, seems quite natural, especially as far as the filing systems are concerned, as every local authority is faced with the problem of keeping its files and archives in order, and a good filing system is of great importance for the smooth running of the day-to-day work. It is interesting to note that about 50% of the associations which give advice on filing systems have prepared their own filing system, to be used by their members. The Netherlands Association created a special bureau for this task, which, after having drafted its own filing system (based on the decimal system of the American Dewey), found not only all local authorities prepared to apply this system, but also several central government ministries, provincial governments and other public corporations.

Technical advice given by a national association is of quite a different nature and the fact that many (22 out of 57) of the respondent local authorities appear to be involved in this activity proves that, in their turn, local authorities in many countries are engaged in activities in the technical field,

although the kind of activities of local authorities in this sphere differ more than in other spheres (e.g. that of day-to-day administration) as in fact their tasks in housing, town planning, construction of roads and bridges, sewage disposal and treatment, etc., differ widely from country to country. Nevertheless, it would be going too far to suggest a direct relationship between the activities of the local authorities in this field and those of their associations. Having studied the various kinds of activities of the associations, one concludes that the question of which tasks they perform and which they do not, very often depends more on individual historical development or on mere accident than on a logical consequence of the tasks of their memberlocal authorities. In Great Britain, for instance, the Association of Municipal Corporations (which comprises all important towns) does not assist its members actively in preparing for them such things as housing plans (nor model by-laws, filing systems, budgets, accounts, etc.); it does make recommendations on these matters from time to time but leaves them mainly to local decision and action. Its main activity lies in the field of contacts and negotiations with Ministers of the Crown and Government Departments. The same is true, more or less, for other British associations. Nevertheless, the tasks of many of the British local authorities in the technical field are most important.

On the other hand, the two Finnish Associations (the Association of Towns and that of Rural Municipalities) find one of their main tasks in the field of technical advices. The Association of Towns has a special section for technical matters, composed of a number of engineers with their staff to advise the member municipalities on technical problems and to make investigations in this field. The rural associations created a special consultative architectural and engineering office, the "Central Building Office for Rural Areas". Besides acting as a central institution for the collection and provision of information and experience drawn from the whole country, the practical tasks of this office are: (a) building design, (b) town planning, (c) geological and hydrological surveys and designing of water and drainage installations, (d) technical consultation on constructional matters. Since its reorganization in 1956, the bureau is used not only by local authorities, individually or in co-operation, but also by savings banks and industrial concerns. This Building Office - which in 1961 employed 76 architects, interior decorators, landscape-gardeners, various engineers and personnel, and 16 other experts is established in the form of a joint-stock company, the shares of which are held by the Finnish Union of Rural Municipalities and other national organizations (viz. the Central Agricultural Association and the Finnish Savings Bank Union). The Finnish Union, however, holds the majority of shares. Shareholders do not receive a dividend, as the company is a non-profit making body,

The above mentioned Finnish Building Office is the biggest of its kind known. Other associations give technical advice either themselves or in cooperation with and with the help of other bodies, like planning associations or associations of engineers. Some associations - like the Netherlands Union - have an arrangement with a private technical advisory bureau, to which it refers questions for advice on and the making of plans for the construction of roads and bridges, of plants for sewage disposal and treatment, etc.

The last category of activities, listed in the table on page 163, refers to assistance with <u>budgets</u> and <u>annual</u> accounts. This activity is less frequently encountered than those mentioned under 1-4, but in some cases it is of great importance. A form of <u>indirect</u> activity in this field is to be found in Canada, where the Canadian Federation of Mayors and Municipalities has studied the form of local authorities' financial reports, by convening con-

ferences devoted to this subject, with the result that municipal financial reports now follow a uniform pattern throughout Canada. A <u>direct</u> method of assistance is to be found in the Netherlands, where a special office, created by the Union (and employing a staff of about 250 persons, spread over the whole country, where so-called district offices have been established) is charged with the verification of the accounts of those local authorities who ask for this specific service and who thus become affiliated to this Office (the great majority of the municipalities). This Office also gives advice on all financial and economic matters, the establishment of the budget, the organization of the financial administration, the creation of specific sections within this administration, etc. The reports, established by this Office, are recognized by the higher authorities as official audit reports as required by law.

A less individual, but also effective, way of assisting local authorities in drawing up their budgets and accounts is to be found in Chile, where the National Conference of Chilean Municipalities sends to its members, in circular letters, models that enable them to draw up their annual budgets in a uniform way and in agreement with the laws in force.

After this enumeration of the most frequently found activities of national associations, some examples may be given of <u>other services rendered directly</u> to local authorities, individually or collectively.

In the first place attention should be drawn to the activities relating to local government personnel. Many national associations are involved either in matters of municipal salaries, wages and/or pension-schemes, or in matters of training, and some in both. As for salaries and wages: in view of the fact that, in most countries, municipal employees are united in one or more unions in order to negociate salaries and wages and other working conditions, it is quite natural that local authorities, as employers, also endeavour to co-operate in this field. This can be done within the framework of a national association or in another way, but it seems natural that the national association(s) of a country play(s) a certain rôle. In some countries, the national associations do not go further than co-ordinate salaries and wages, as is the case in Finland, where both the Association of Towns and that of Rural Local Authorities have a special section for these matters. In other countries the association(s) negotiate(s) directly with the employees unions; the results of these negotiations may or may not be directly binding on the member local authorities. In the Netherlands for instance, (where the association took the initiative to create a special body for this purpose, which has the form of an intermunicipal-co-operation-body with its own office), the salaries and other working conditions are, after negotiations between this body and the employees' unions, laid down in draft by-laws or other local regulations which have to be approved by the local authorities. In Norway, too, a special organization, "The Municipal Employers Organization", established by and belonging to the two municipal organizations, deals with salaries, working conditions, etc.

Direct negotiation by the association is also to be found in Great Britain, where the various national associations appoint to the negotiating bodies, established to settle the remuneration of many classes of officers, representatives who sit on the employers' side and negotiate with the representatives of employees. The British Associations have also set up an Advisory Board which is intended to secure co-operation and consultation between all the negotiating bodies on which local authorities are represented. In Israel, the League of the Local Authorities maintains contact with the Clerks' Division of the General Federation of Labour, in all matters concerning salaries and working conditions; all disputes which arise are dealt with and settled by Joint Boards, consisting of representatives of both the League

and the Federation of Labour. It is interesting to note that one of the youngest associations, the National Association of Local Authorities in Ghana (established in 1959), mentions in its constitution as one of its objectives "to cooperate with the Local Government Workers Union in fostering good relationships between councils and employees and peaceful administration of local government in Ghana". The importance of this activity of the association appears also from the fact that, according to its constitution, the governing body, the "National Exective Council" shall be the "Central Negotiating Committee on staff and service conditions with the Employees Union".

Another, less far-reaching, example of activities in this field is provided by the Federation of Mayors and Municipalities of Canada, which prepares each year a survey of wages, salaries and other conditions of employment affecting municipal employees. This survey is made available to member-

local authorities.

In general, it can be said that many national associations are involved in one way or another in questions of salaries and working conditions; this is also the conclusion of the IULA publication, which reports that twenty three out of fifty seven associations have specifically stated that they do en-

gage in these functions.

The same publication states that there were only five associations which reported that they were engaged in collective municipal personnel pensioning, viz. the two Norwegian Associations, the Association of Swedish Rural Local Authorities, the Association of Danish Towns and the Association of French Mayors. In Norway, this is done through the "Municipal Pension Society", a body established by and belonging to the two Norwegian associations (like the Municipal Employers Organization mentioned above), which provides a collective scheme of pensions for municipal staff. In most countries the pensioning of municipal personnel is governed by law, without the association(s) of local authorities being involved in the matter. (On the other hand, associations have often been consulted when the relevant law was being drafted).

The training of municipal personnel is another important field in which many associations are active. This appears not only from the IULA publication, which mentions 33 out of 57 associations being active in this field, but also from the data available on some other associations, among which some newly established ones. This is also understandable, as good municipal personnel is a matter of the utmost importance for good local government, and an adequate training of such personnel - before as well as after they take up their post - is one of the first requirements. As is stressed in chapter VIII of part II of this study, "Central assistance in the field of local government personnel" (p. 88): "Beyond doubt the quality of public administration is foremost determined by the general education of its personnel".

In the same chapter many interesting data are to be found concerning the activities of central governments, universities and institutes of public administration in helping to establish schools and training programmes for public personnel, among which local government personnel. It is, therefore, obvious that in many countries where local government associations are involved in these activities, they act in co-operation with one or more of these bodies. In the U.S.A., for example, there is a close co-operation in several states between the municipal organization and the universities. In some countries there has been created, on the initiative, or with the co-operation, of the local government organizations, a Local Government Institute. Two outstanding examples of this are the "All-India Institute of Local Self-Government" (Bombay) and the "Instituto Brasileiro de Administração Municipal" (Rio de Janeiro). 1)

 A survey of the structure and activities of the All-India Institute, Bombay, is given in an annex to this chapter. The Brasilian Institute is dealt with in the country-report on Brasil. In some other countries the organizations act independently in the field of training of local government personnel. Some of them organize regularly or from time to time courses or conferences for municipal personnel, usually devoted to one specific aspect of local government. In some Scandinavian countries we find schools created by the associations: the Joint Municipal School, established by the Swedish Associations of Towns and of Rural Municipalities and the Municipal School of the Finnish Association of Rural Municipalities. Both schools have a training centre of their own, near the national capital, and both give courses, also for elected municipal officials, which seem to be frequently visited.

The Yugoslavian association, which was established in 1953, began this kind of activity shortly afterwards. In 1960, for instance, it organized two seminars for the professional staff of its local government members: one

for town planners and one for economic planners. 1)

A very strong emphasis is laid on the training programme by the Iran Municipal Association. Not only does the constitution of this organization mention the "organizing of training classes and libraries" as one of its objectives, but it also appears, from a report on this association on its activities in 1960/61, that its training programme has been carried on with great energy and success and that many new classes and courses are going to be organized. Among the training courses which have been initiated the report mentions courses on:

- 1. Municipal Management (University Graduate Course); nine months course with 27 students, 16 of whom graduated.
- 2. Municipal Accounting courses in which about 200 students have graduated.
- 3. Municipal Meat Inspection Courses (five months duration); about 160 students have graduated.
- 4. "Waterwork Operation" course; 19 students have graduated and 20 students are nearing completion of the second course.
- 5. Junior Municipal Engineering course; 2 year programme with 28 students enrolled.
- 6. 15 months Municipal Management Correspondence course with an estimated 100 students.
- 7. Special 6 months Municipal Accounting course. Began at University of Tehran, January 1, 1960, with 34 students enrolled.

The Iran Association has also on its programme the establishment of a continuous municipal orientation course for mayors, councillors, and governors from the major cities.

Another example of activities in the field of municipal personnel is provided by the Netherlands Association, which has a special Bureau for Personnel Management that gives advice to the member local authorities on various questions relating to personnel management. This bureau has two sections: one for advising on questions like work-classification, merit-rating, etc., one for advising on questions of organization and efficiency.

Finally, attention should be drawn to a service rendered by many associations to their members in the form of the <u>publication of a periodical</u>. It is obvious that a good review on local government matters - or, more broadly, on matters of public administration and public law - is of high value and

¹⁾ More details on the activities of the Yugoslavian Association are to be found in the country report on Yugoslavia (part IV, of this study).

it is therefore understandable that many associations have embarked on this activity. The frequency of these periodicals varies: there are weeklies, semi-monthlies, monthlies, bi-monthlies, etc. Certain associations publish more than one periodical. Their contents vary too, although it can be stated that, in general, the smaller ones focus their attention mostly on practical questions (advice given to member-authorities, other activities of the association, new legislation or jurisprudence of direct importance to local authorities, etc.), whereas the larger ones often contain fundamental articles of a more scientific nature. It is obvious, however, that the value of a periodical lies not only in its contents, but also in the link it provides between the association and its members and between the members themselves.

A remarkable fact mentioned in the IULA publication, is that one of the oldest, if not the oldest, local government reviews known - the "Sogneråds-Tidende", which is the periodical of the Federation of Rural Parish Unions in Denmark and has appeared twice-monthly since 1885 - existed before the establishment of the association itself, which dates from 1899. One of the youngest, if not the youngest official periodical of an association is "The local government association review", published since 1961 by the National Association of Local Authorities (Ghana).

The above mentioned activities of national associations can be considered as being the most important among those of category 1 (the direct rendering of services to local governments individually or collectively). They are, moreover, those which are most frequently found and seemed, therefore, suitable for more elaborate treatment in this report. Another category of activities should be mentioned, which can be characterized as forms of practical co-operation between local authorities – usually with a view to reducing prices they would otherwise have to pay to private enterprises – and in which the association as such plays a greater or lesser rôle:

- 1. collective municipal insurance (protection against loss by fire, fraud by municipal employees, etc.);
- 2. centralized purchasing;
- central forms office, providing forms to the local government members;
- 4. central printing office and central book binding office;
- 5. collective municipal banking.

Of these activities, the first mentioned is the most frequently found. Central purchasing offices are to be found especially in Scandinavian countries and the Netherlands. "Collective municipal banking" usually is part of the activity of a Municipal Credit Institution which often is based on the cooperation of local authorities with the Central Government. (This subject is dealt with in a separate chapter of this part of the study).

One other activity should be mentioned, not because it is frequently found - as a matter of fact only one example is known - but because it is of an exceptional nature: the so-called "Pilot-City Project", initiated by the Iran Municipal Association. The Ministry of the Interior has designated Isphahan as "Pilot-City" for the testing of progressive administrative management and operational techniques and for developing uniform budgeting, accounting, personnel, organization and other administrative procedures. These procedures are to be implemented in 46 major cities of Iran. The Pilot-City project will also be used for training purposes, as in the Pilot-City municipal personnel from other municipalities will be trained.

Category 2. The representation and promotion of municipal interests vis-

à-vis higher public authorities (usually the central government).

As may be gathered from the definition of the main purpose of nearly all national associations, cited above (p. 162), this comprises the representation of common interests of the municipalities and the advising of the central government in the preparation and carrying out of new laws and regulations relating to these interests as well as the exchange of experiences among the local authorities. As a matter of fact, most associations perform both these categories of activities, although the emphasis is in some cases more on one, in other cases more on the other side. As has already been suggested on p. 163, this is often a consequence of historical factors, as some associations were established exclusively or mainly with a view to practical co-operation and exchange of experience, others with a view to the protection of the interests of their members. Interesting examples of the latter category are the Association of Municipal Corporations, and the County Councils' Association, comprising the municipal boroughs, and the county councils respectively, in England and Wales. The objects of the first association (which was established in 1873, and is the oldest association in existence 1)), are "by complete organization, more effectually to watch over and protect the interests, rights and privileges of municipal corporations, as they may be affected by Public Bill legislation or by Private Bill legislation of general application to boroughs; and in other respects to take action in relation to any other subject in which municipal corporations generally may be interested". The objects of the County Councils' Association, established in 1889, are formulated in a similar way (mutatis mutandis). And, in fact, these associations are still principally active in exercising influence upon the national legislature and in co-operating with government commissions.

An example of the opposite, an association with a strong emphasis on direct services to member local governments, is to be found in an association which happens to be one of the youngest ones; the Iran Municipal Association, of which the activities in the field of training of personnel were cited above (p. 167). The constitution of this Association, as revised in 1961, mentions as its objective: "To render guidance to municipalities of Iran by the introduction and application of modern administrative methods already applied in highly developed countries, by making use of inter alia, the following means and procedures: the fostering and establishing of annual and monthly conferences, the organizing of training classes and libraries, the collecting and centralizing of all information and statistics on municipalities in Iran and other countries of the world."

As stressed above, most associations are engaged in both categories of activities, although emphasis often is laid on one of the two aspects of their work. It can be stated, moreover, that in the field of representation and promotion of municipal interests vis-à-vis higher public authorities, there is far less variety in the associations activities than in that of rendering services directly to member local governments.

In the questionnaire, which was the basis of the IULA publication, four questions were put regarding this kind of activities, which seem to cover rather adequately the various forms of common action carried out in this field. These questions related to:

1. the exercising of influence upon the national legislature by making representations to the Government or to Parliament;

¹⁾ Except for "The Convention of the Royal Burghs of Scotland", which is supposed to have been organized by King David I, who reigned over Scotland from 1124 to 1153.

- 2. idem, by giving advice to the Government or to Parliament on their own request;
- 3. the presenting to the Government (or to Parliament) of bills, drawn up by the association itself;
- 4. the representation on Government Commissions, charged with the preparation of laws or with other tasks (relating to the implementation of laws and regulations).

The great majority of associations, documented by the IULA publication, exercise influence on national legislation affecting local authorities, not only on their own initiative but also at the request of the Central Government. The central government seems to accept this as one of the main activities of national associations, which is quite understandable when one considers the importance for central government ministries when preparing legislation which is of significance for local authorities, to know the opinions current in local government circles. These contacts with the central government can take various forms: as advice given, as the occasion demands, on some piece of new legislation, at the request of government ministries or on the association's own initiative, or as the representation of the association on a government commission charged with the preparation of legislation in a specific field. Such representation is certainly of great value for both parties - the government and the association - and for the latter it has the advantage of offering accurate and advance information on legislation being considered for enactment. It is interesting to note that in many countries national associations began to make their influence felt when they started making representations to the government, and that in the course of time the various ministries, have come to know their value by experience and have made it a habit themselves to ask for the association's opinion, either on specific occasions or through the membership of commissions or both.

Another possibility of contact with the central government with a view to influencing national legislation is offered by the presenting to the government (or to parliament) of bills, drawn up by the association itself. This is not so frequently encountered as the other forms of contact (whereas almost all associations documented by the IULA publication were involved in the three other kinds of activities, only thirteen of them reported this activity). One of the associations active in this field is the Association of Austrian Towns, which drew up several draft bills, for federal acts as well as for provincial acts (model building regulations, expropriation acts, a regional planning act, a procurement act). The outcome of these submissions was not stated.

As for exerting influence upon parliament, this can be done and actually is done in various ways: by making representations to Parliament, by contacting individual members, etc. Certain associations stress the fact that they number among the representatives of the local authorities persons who are in the national legislative body as well. The County Councils Association (Great Britain) has a "Parliamentary and General Purposes Committee", to which any member of either House (House of Commons and House of Lords) is elected, who is a member of a County Council and who wishes to serve on this committee.

The action of the national associations for the promotion of municipal interests on a national level is not limited to legislation. Associations in many countries are concerned with the implementation of laws or other regulations, usually by way of representation in government- or other commissions. The County Councils Association (Great Britain) reports that it appoints representatives to approximately one hundred bodies or committees, including government sponsored bodies and committees, whose work is connected with the functions of local government.

It should further be mentioned here that in many countries it is the usual practice to invite ministers of the government (and of Parliament) to the association's annual congress, which seems to afford a good opportunity for airing opinions on forthcoming legislation as well as on central government policy in general. Often resolutions on certain problems affecting local government are adopted by annual congresses and sent to the government and/or parliament. An interesting method of presentation of local views is to be found in Canada, where the Executive Committee of the Federation of Mayors and Municipalities participates in an annual meeting with the Prime Minister and other Ministers to discuss legislation of interest to local authorities. In Germany, the Association of German Towns is wont to send to the newly elected parliament, on the occasion of its first meeting, a survey of all questions of interest for its members and which should, in its opinion, be solved by legislation in the coming period.

In Yugoslavia, where the "Standing Conference of Towns" is deeply involved in legislation affecting local government and takes important initiatives in this field, representatives of the association are from time to time invited to explain their opinions and wishes at the sessions of the Federal Parliament and, in cases of exceptional importance, at the plenary session

of the Chambers of the Federal Parliament. 1)

As was stated above, in many countries the central government has made it a habit to consult national associations on matters of legislation that affect local authorities. This is done, however, on a non-obligatory basis in the great majority of cases. The Association of County Councils in Scotland is an exception to this rule. This association, which is the oldest one known (see p. 169) and has an interesting history, is consulted by Her Majesty's Ministers in connection with proposed government action that will affect Scotlish County Councils. In various statutes Parliament has enacted that the Minister concerned must consult the Association in regard to certain matters.

¹⁾ See the note on p.167 concerning the Yugoslavian Association.

Annex I to Chapter on National Associations of Local Authorities.

The Local Self-Government Institute, Bombay State

and

The All-India Institute of Local Self-Government

"The Local Self-Government Institute, Bombay State", formally inaugurated at a conference of local bodies of the State of Bombay in July 1927, has had the following aims and objects:

- a. To further the spread of Local Self-Government Institutions by training the people in the principles and practice of Local Self-Government;
- b. To promote the study of problems connected with Local Self-Government and act as a centre of information and advice for Local Self-Government Bodies;
- c. To strengthen and improve Local Self-Government Institutions by co-operation and other means and to bring them together for common endeavour and to create a community of interest among them by organization of periodical conferences;
- d. To represent the opinions of Local Self-Government Bodies of all groups or as a whole in cases in which such representation is desirable;
- e. To undertake any other measures necessary for furtherance of the interest of Local Self-Government and the promotion of efficient administration;
- f. To incorporate, combine, amalgamate or be amalgamated with, and/or to co-operate with, or to enter into working arrangement for unified or co-ordinated activities with, any other Institute or organization or persons in India or outside working directly or indirectly, wholly or partially in the cause of Local Self-Government

From its very inception the Institute has been fortunate in enlisting the support and active co-operation of the Government of Bombay. The formation of the Institute was substantially helped by the permission granted by the Government to the local bodies to pay annual subscriptions to the Institute. The Government has also permitted the local bodies to pay travelling allowances to members attending conferences convened by the Institute. Some of the highest officers of the Government have been allowed to deliver lectures to the training classes which are conducted under the joint auspices of the Government of Bombay and the Institute. The recognition granted to the said classes and the diploma awarded by the Institute is an indication of the appreciation of the Government for the Institute. Moreover, the Government rendered financial assistance.

The Government co-operation and assistance have not interfered with the independence of the Institute. It has always been attempted to maintain the unofficial character of the Institute. The criticism of Governmental policies and actions with regard to local government affairs were of a constructive character and as such have not been misunderstood by the Government or its officers. On the contrary, this co-operation has conduced to a better understanding between the Government and the local bodies.

The Institute has not had any political bias in its working. Its guiding principle has always been to safeguard the democratic character of local bodies, to take steps to augment their sources of income, to oppose any encroachment on their legal rights and privileges, to make strenuous efforts for increasing their efficiency, to assist them in running their administration economically and to promote integrity in their working. It is therefore understandable that the minister of local self-government has found in the Institute an unbiassed guide, while the local bodies consider the Institute as a true protector of their interests and prestige.

The valuable work that is done by the Institute in the course of local government has also been recognized by the Administrative Enquiry Committee which was appointed by the Government of Bombay in 1944. The committee's main interest in local bodies was to find out the extent to which they are functioning as an instrument of decentralization and relieve the State Government of a mass of functions which have primarily local interest and appeal and can only be efficiently carried out with local co-operation. The committee carefully considered whether there existed a need for supervision and guidance, supplied by a government-agency or through a statutory non-official board representative of the local bodies themselves and commanding their confidence and co-operation. It is interesting to note that the committee suggested that instead of setting up a new ad hoc body the Government should consider whether the services of the Local Self-Government Institute could be utilized. Satisfied that the objects of this Institute are comprehensive enough to include all the duties that the Government may delegate to it, the committee proposed that legal recognition should be granted to the Institute and that it should be made use of as a part of government machinery for advising and controlling local bodies.

Also, the Institute has extended active help and co-operation in the formation of a sister-institute in the Punjab. It has affiliated the Local Gov-

ernment Institute of Rajasthan.

The value of conferences of local bodies has been emphasized from the very beginning. Up till 1959, the Institute had held 16 provincial conferences. In addition to these provincial conferences, the Institute organized a number of divisional and district conferences of local bodies and submits their resolutions to the Government.

The assignment by the Government of a portion of land and forest revenue to the local bodies was mainly due to the persistant efforts of these conferences.

Since the year 1927, under the joint auspices of the Government of Bombay and the Institute, the Institute has been holding training classes for the officers of the local self-government service and has also been co-operating with local boards in arranging to hold and conduct classes for village panchayat secretaries.

The library of the Institute, consisting of a huge collection of books on all phases of local government published in India and abroad, is of inestimable value to post-graduate and research students. The Government of Bom-

bay has been giving a special grant to the library and its equipment.

The Institute has also engaged in the publication of journals devoted to the furthering of knowledge on local government affairs. The English Quarterly Journal of the Institute is a pioneer in this line and has been enjoying the reputation of the best publication in India on the subject of local government. Journals in the languages of the states of Gujarat and of Makarastha - Gujarati and Marathi - are also published and are specialized in the sub-

ject of village panchayats. Moreover, the Institute has so far published more than 40 books on different aspects of local government.

Many local bodies, not including the larger ones, often refer to the Institute for information and for advice regarding problems of administrative, legal and technical nature. In all such instances advice is tendered readily and free of charge.

The Institute has assisted the local bodies in securing the services of specially suitable local government personnel. Of quite a different nature is the distribution of writing and printing papers of all kinds to the local bodies

Another activity which is very useful to the local bodies is the arrangement the Institute has made in respect of purchase of medicines by them, as the Government Medical Stores cannot be expected to be able to meet all the needs of all dispensaries, hospitals, maternity homes, etc., run by local bodies at all times of the year, so that local bodies would have to go to the open market for purchase of stores.

It has been the custom of local bodies to approach the Institute for their individual grievances to represent their cases to Government. When the Institute is satisfied that the grievances are genuine, it takes up the matter with the Government, thus trying to avoid the taking of extreme coercive action by the Government.

From 1950, the Institute has lent its support to related activities of a very useful nature with the result that the Indian Institute of Education, which is doing research in education and the Indian Town and Country Planning Association, which aims to promote and extend the knowledge and study of the art of town and country planning, are enjoying the hospitality of the Institute.

The All-India Institute of Local Self-Government 1)

Encouraged by its success, the Bombay Institute took a leading part in the establishment of the All-India Institute of Local Self-Government in order to promote a comparative study of the working of local bodies in the different states and to secure co-ordination of efforts for improvement by establishing all-India contacts.

The Government of India welcomed the formation of the Institute and gave formal recognition to it. The Government assisted the Institute with a grant-in-aid of Rs. 1,000 in 1951, which was raised to Rs. 8,400 in 1955. Today the Institute is able to conduct its activities without any grant from the Union Ministry.

The aims, objects and functions of the Institute are:

- Collection and study of all Acts, Rules, By-laws and Regulations of all the States relating to Local Self-Government and to the different systems of local self-government prevailing therein and publication of memoranda on the salient features of each of them from time to time;
- 2. Publication of abstracts from Government Gazettes, Resolutions, Orders and Circulars issued by all the States on local self-government subjects of general interest;
- 3. Publication of a Quarterly Digest of local self-government cases of importance decided by different Courts in India, and in other countries.

¹⁾ Triennial Report for the years 1955 - 1956 - 1957 - 1958, published by Chunilal D. Barfivala, Director-General.

- 4. Publication from time to time of a bibliography of all articles, theses, books and other literature published in India and foreign periodicals on local self-government subjects;
- 5. Publication of Journals, Books, Bulletins and propaganda literature on different phases of Local Self-Government and on the working of Local Bodies in different States;
- 6. Running of Training Classes for studies in Local Self-Government subjects and awarding to successful students of Certificates, Diplomas or Degrees;
- 7. Conducting research in Local Self-Government and publication of the results thereof;
- 8. Organization of Local Self-Government Institutes or Associations of Local Bodies in individual States in order to decentralize the work of public education in local self-government subjects;
- 9. Organization of, and participation in, All-India Conferences of local self-government to focus attention on important local self-government problems:
- 10. Participation in International Conferences of Local Self-Government;
- 11. To do any and all other things considered incidental or necessary to carry out the objects of the Institute.

The Institute is an organization of an educational and research type, avoiding all partisan or political propaganda of any kind. It has no bias, political or otherwise, except that local bodies should be run on democratic lines and that they should be endowed with such powers and authority as may be necessary to enable them to function as units of self-government.

In order to promote the aims and objects the All-India Institute has adopted certain measures:

- a. Running of a journal in Hindi for the exchange, propagation and spread of the view-points of a number of scholars and thinkers in the field:
- b. Training classes in the different states to afford the necessary facilities to students to receive tuition in the art and practice of local government;
- c. Research work;
- d. Help and suitable guidance to research students who visit the Institute in their post-graduate studies;
- e. Exchange of thoughts amongst eminent workers in the field.

In short, the Institute is trying to function as a clearing house of authentic information on different phases of local government through a network of state-wide contacts to be established throughout the country and in leading foreign countries.

The Ministry of Health has taken every possible opportunity to utilize the services of the Institute. So it has entrusted the work of drafting

model-acts for municipalities to this Institute.

The Institute keeps in contact with scholars, specialists and writers with a view to encourage production of monographs or special features and working of local government in different states. As a result of its efforts of this nature the Institute has been able to publish many interesting works.

As a new activity the Institute has opened a training centre for sanitary inspector's course at Bombay in January 1959. Similar training classes will be opened in other important cities, thus rendering one more very useful service to local bodies in India.

The income of the Institute is derived from the membership fees of different classes of members and the grant-in-aid from the state governments.

The All-India Institute of Local Self-Government has now become well-known not only in India but also to scholars and institutions of local government in foreign countries.

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The close co-operation between the Bombay Institute and the All-India Institute of Local Self-Government has been directed, according to a resolution of the first mentioned Institute, towards "a further cementing this relationship with the end in view that ultimately the Bombay Institute and the All-India Institute are merged together and that thereby an All-India Status may be attained for the joint organization".

In the meantime this end has been attained.

Annex II to Chapter on National Associations of Local Author-

The International Union of Local Authorities

I. History

In 1913, on the initiative of the Belgian Union of Municipalities, the first International Congress of Towns was convened in Ghent. This action met with an immediate and enthusiastic response. The number of participants surpassed all expectations and was a proof of the urgent need of some form of international contact between municipalities. At this congress it was unanimously decided to found an International Union of Local Authorities. The headquarters of the Union was consequently established at Brussels.

Unfortunately, on account of the outbreak of the first World War, the Union was unable to function during the first years. After the war, however, development really began, and in 1924, the first large congress was held in Amsterdam. All European Associations of Municipalities, with the exception of the Swedish, Danish and Norwegian Associations, joined in 1924, or soon after as members of the Union, and a number of American organizations also figured among its members. At the Amsterdam congress, the board of the Union was elected; Mr. Wibaut, alderman of Amsterdam, was elected president and Mr. Emile Vinck, Brussels, was appointed Secretary-General. He remained in this function until 1948, when he was succeeded by Mr. Arkema, Managing Director of the Union of Netherlands Municipalities. The number of members steadily rose and the number of delegates who attended the Paris congress in 1927, showed a remarkable increase. By 1935, 32 national unions belonging to 22 countries had become affiliated.

The activities of the IULA continued until the outbreak of the Second World War when the work of the secretariat at Brussels was brought to a halt by order of the German occupation authorities. Directly after the armistice, efforts were made to renew contacts and reorganize the Union. In the summer of 1946, a small conference was held in Brussels at which about 10 countries were represented. In 1947, a full-scale congress was held in Paris and since that time a congress has regularly been held every two years. The attendance at these meetings has shown a steady increase in both participants and countries represented. The XVIth Conference, held in Washington in June 1961, attracted over 1000 persons, and thus ranks as the largest IULA gathering ever held.

At a meeting of the Union's "Permanent Bureau", held at The Hague in September 1948, it was decided to transfer the Secretariat of the Union from Brussels to The Hague.

In recent years, IULA has gained strong support in many areas where it previously had no members. Local authorities in many countries in Asia and Africa joined the International Union, thus giving to the Union a more and more international character. At present IULA has members in 50 countries: Europe 20; Asia 12; America 9; Africa 8; Australia 1.

The aims of the International Union of Local Authorities are:

- a. to promote local autonomy;
- b. to contribute to the improvement of local administration;

- c. to study questions concerning the life and activities of local authorities and the welfare of the citizens;
- d. to promote the idea of the participation of the population in civic affairs.

II. Organization

A. Categories of members

The International Union of Local Authorities has three types of member:

- active members (associations of local authorities and individual local authorities);
- 2. adherent members (associations concerned with local government and private persons interested in local government);
- 3. extraordinary members (higher authorities).

The International Union of Local Authorities represents and reaches, especially through its federal structure, a high proportion of local authorities and local government experts throughout the world.

B. Organs

The supreme authority of IULA is the Council of the Union which is composed of delegates of active members. Among its main tasks are, to decide on the policy and general work programme of the Unions and to review the annual reports of activities and the financial reports.

The second organ of the IULA is the Executive Committee. The rôle of the Executive Committee is to supervise the implementation of the decisions of the General Council. It decides upon all measures to be taken regarding the organization of congresses and of meetings of the General Council. It verifies the accounts and draws up the budget for each year. It meets as often as may be necessary, if possible every year.

The Executive Committee consists of 14-18 members (at present 18); its members are elected by the General Council for three years and are eligible for re-election.

The Executive Committee appoints its Secretary-General and prescribes the conditions of his appointment. The President, the Vice-Presidents and the Secretary General of the International Union are ex officio President, Vice-Presidents and Secretary-General of the Executive Committee and Council. They have the responsibility of carrying out the decisions of the Executive Committee.

The third organ is the <u>Secretariat</u>, which acts as an executive body and sees to the maintenance of the <u>Union's</u> services. Its control is vested in the President and the Secretary-General.

C. Headquarters

The Headquarters of IULA are managed by the Secretary(ies)-General, assisted by the Deputy Secretary(ies)-General. The Headquarters are established in the premises of the Union of Netherlands Municipalities, which provides various services to the International Union.

From the Headquarters the Secretariat carries on the day-to-day business and correspondence, organizes conferences and acts as Secretariat of the Union's study committees. It also maintains a large international library and documentation centre in the field of local government.

The staff, including the members of the personnel of the Netherlands Union of Municipalities who are engaged full or part-time in work for the

International Union consists of 12 persons.

D. Finances of the Union's work

IULA is financed through membership fees received from its members. The fee is based on a rate per 1 million inhabitants.

IULA's members are not charged for services which IULA renders to them.

An increasing supplementary income is derived from the sale of IULA publications and the insertion of advertisements in the periodical of the Union.

III. Activities

The International Union of Local Authorities is an organization whose aims are to promote local autonomy and to contribute to the improvement of local administration techniques by an international exchange of experience. It deals also with all problems that relate to the activities of local authorities or that affect the citizen's interests. It aims in particular at stimulating the population's interest in its local administration.

These aims are furthered by:

- the periodic organization of international congresses and conferences;
- 2. the establishment and development of international municipal relationships;
- 3, the maintenance of a permanent office for the collection, study and distribution of information in the field of local government;
- 4. the creation of committees for the study of specific problems in the field of local government;
- 5. the co-operation with other international organizations, governmental as well as non-governmental, in matters which are of interest to both:
- 6. the publication of a review and other periodicals, and of reports (see under V).

Organization of congresses

The International Union organizes a congress every two years. These congresses can be attended by members and non-members. Problems of interest to local authorities in many countries are dealt with and national reports on the main subject are drawn up on the basis of a questionnaire prepared by the IULA Secretariat. The national reports are generally published together with a general report.

Representatives of the United Nations or its Specialized Agencies - in particular UNESCO and the World Health Organization - usually play an active rôle at these congresses.

International municipal relationships

The International Union fosters the creation of links between local authorities in different countries. It also organizes, on request, study trips for municipal officials to other countries and co-operates with the Council of Europe in arranging international exchanges of municipal officials.

Study and distribution of information in the field of local government

The International Union acts as an international information clearing house. It provides information on aspects of local government structure or activities in other countries and, if need be, undertakes enquiries.

The Union maintains an international library well stocked with works on local government and related fields. It also receives a large number of municipal reviews from all parts of the world, and has built up an extensive documentation from these periodicals.

Special committees

In recent years the International Union has created three special committees and one Working Group: (a) The Education and Cultural Committee; (b) the European Affairs Committee; (c) the Public Health Committee; (d) the Working Group for Wholesale Markets.

Research Programme in comparative local government

IULA has published, in co-operation with UNESCO, monographs on local government in four selected countries and a study on local government in about 40 countries. A study was completed in 1962 on "Central Government Services to Local Authorities" on behalf of the United Nations.

IV. Contacts with the United Nations and other International Organizations

IULA has been granted consultative status with the Economic and Social Council of the United Nations, with UNESCO, the WHO and the Council of Europe. It has frequent contacts with FAO. Representatives of these bodies attend meetings of IULA and its specialized committees; IULA has undertaken several studies under contract with the United Nations and UNESCO.

IULA has developed close contacts with non-governmental organizations such as:

The International Institute for Administrative Sciences;

The International Federation for Housing and Planning;

The International Statistical Institute;

The Eastern Regional Organization of Public Administration;

The International Political Science Association; etc.

V. Publications

To keep in regular touch with its members IULA publishes a magazine, "Local Government throughout the World", and a bibliographical list of new additions to the IULA library. Congress reports and proceedings and other occasional volumes on local government topics are also published. They are made available to members either free of charge or at a reduced rate.

Ch. II. Municipal Credit Banks

Introduction

It is a sound principle for local authorities to maintain a balance between their expenditure and their revenue. Taking this principle as a point of departure, we can distinguish a number of situations where local authorities require credit.

The need for long-term loans

Local authorities are faced not only with current expenditure such as general administrative costs, municipal police, road maintenance, education, etc., but also with expenditure, of either an occasional or more or less regular character, for purposes of a more lasting nature, such as the construction of water mains, roads, abattoirs, hospitals, schools, town halls, etc.

Generally speaking, local authorities will be in a position to engage in such expenditure only if they can raise long-term loans for these purposes, unless they have at their disposal means of their own, free reserves or a surplus from the ordinary service, or unless they can obtain subsidies. Whilst it is true that in certain countries the principle is adhered to that capital expenditure must be entirely financed from ordinary or current means, the impossibility of doing so causes the exception (financing by means of loaned capital) to become the rule in some of these countries.

In this context it is of importance to know whether the investments concerned can be financed from domestic savings and whether they therefore also fit into the national priorities system, i.e. whether they are considered sufficiently urgent from the national viewpoint.

If this is not the case and these investments would have to be financed, for example, by means of loans raised abroad, such action will result in an inflationary influence which again may exert an unfavourable influence upon the balance of payments, unless the yield from such loans is spent abroad in its entirety.

If the raising of long-term loans by local authorities is therefore subject to certain conditions in the light of the national economy, there are, quite generally, certain limits to the capacity for raising long-term loans, also from the viewpoint of the individual local authorities.

If one adheres to the principle that an equilibrium between ordinary revenue and ordinary expenditure should be maintained, it will never be possible to raise a larger amount by long-term loans than that for which the yearly interest- and repayment obligations are equal to the yearly surplus from current income over and above current expenditure (prior to these interest and repayment obligations having been taken into account). Moreover, the calculation of the above surplus must already have taken into account the additional current expenditure arising from the expenditure to be financed with the long-term loans (e.g. maintenance of buildings, roads, etc.). On the other hand, however, where the loans concern profit-earning projects such as public utilities, it is possible to anticipate the resulting additional income (so long as the loans concern fully profit-earning projects, the capacity of a local authority for raising long-term loans for the financing thereof is considerably less restricted).

However, if a sound financial basis is to be maintained, the amount to be raised by long-term loans will have to be lower, in actual practice, than the maximum outlined since the computation of the margin left by current revenue and expenditure for the payment of interest and redemption of loans to be raised often extends into the remote future, in actual fact until the expiration of the loans. This implies that the calculation, proportionally as it refers to years ever more remote, will increasingly assume the character

of an estimate with all its concomitant dangers. Such an estimate comprises in particular a large degree of uncertainty since certain sources of income of a local authority depend on the trend of the economy (e.g. the yield of a tax on company profits, on business profits, or of import and export duties).

Even apart from the above-stated considerations a wise policy will aim at keeping some reserves from the balance of current revenue and current expenditure in order to render possible an increase in current expenditure. As long as this margin (which, owing to variations in both expenditure and income, is not a fixed one) need not yet be used for such a purpose, it can be used for financing expenditure for which otherwise loans would have to be raised or it can be used for building up a voluntary reserve to be available later on for the financing of major investments.

The need for short-term credit

In addition to long-term loans, local authorities may also require short-term loans, and this for two different reasons: frequently local authorities find that their current expenditure is more evenly distributed throughout the year than their current income.

This gives rise to a certain disparity in rhythm between the disbursement of current payments and the receiving of ordinary income, so that there exist temporary cash surpluses in some municipalities and temporary cash deficiencies in other municipalities. Here there is evidently a task to be discharged by a municipal credit bank, which will absorb a temporary surplus in one place and make up for temporary deficiencies elsewhere.

It is obvious that the principle of maintaining a balance between expenditure and income is not infringed upon as long as the taking up of short-term credits does not lead to an annual expenditure exceeding the annual income.

A further reason why the need for a short-term credit arises may be due to the wish or the necessity of having to meet temporarily certain expenditure to be financed by long-term credit entirely or partly from other sources. Such a case arises when, for example, one or several instalments of a sum contracted for have to be paid, whereas the loan or the subsidy from which the entire project is to be paid becomes available only at a later date. Short-term credit taken up for such purposes will be repaid at the moment when the long-term loan or subsidy becomes available.

For the sake of maintaining the principle of a balance between expenditure and income, there must be a reasonable certainty that the long-term financial means will indeed be available at the anticipated date.

Provision of long-term loans

In principle a local authority has a number of possibilities of obtaining long-term loans.

When proceeding to a public issue, a local authority, by issuing a debenture loan, calls upon the open, or public capital market. It should be noted that this possibility can only be taken advantage of if several conditions have been satisfied (which is by no means always the case).

The first condition is undoubtedly that there be a market, that is to say, that there be sufficient financial institutions and private savers prepared

and in a position to invest financial means in debenture loans.

The possibility of placing a debenture loan will be further strengthened, provided the first condition has been satisfied, if the holders of the debenture bonds can be sure of their ability to dispose of their holdings at a reasonable price at any time. This will be the case if, once the loan has been issued, considerable trade develops in these securities. The conditions for such a development are: a well organized and highly developed stock-exchange and

a certain volume of the stock. This latter consideration alone renders it impossible in fact for the majority of local authorities to attract long-term loans by this method since their requirements are too limited in volume. Only a limited number of local authorities can obtain funds from time to time, all other circumstances being favourable, by issuing debenture bonds.

A further possibility of raising long-term loans that is open to local authorities is that of private loans. For this purpose the local authority looks for a financier (a bank, retirement fund, savings bank, insurance company, etc., or, possibly, a private party) prepared to grant a loan cor-

responding to the amount required.

The difficulties inherent in this procedure are frequently quite considerable, particularly when the local authorities concerned are not among the major ones. It has to be borne in mind that there is the problem of finding a financier, of achieving agreement concerning the amount, instalment plan and further conditions attaching to the loan.

Whether it will be easy to achieve this aim will first of all depend on the investors' judgment of the municipalities' credit-worthiness (this inci-

dentally also applies to issues).

Everything that is apt to promote such credit-worthiness will promote

the municipalities' access to savings funds.

A great deal can be said on this point. However, in view of the concise character of this paper, we shall confine ourselves to one remark: The establishment of a municipal credit bank which assumes, as it were, the position of an intermediary between lenders and municipalities is apt to make an important contribution to promoting that credit-worthiness in different ways. Examples can be found in actual practice.

In this context, one further point must be noted, concerning the specific character of local government loans. Public confidence in the financial management of the authorities, including the local authorities, will reduce the necessity of making available collateral security for long-term (and short-term) loans. In a number of countries confidence in the financial management of the local authorities (under supervision of the supervising authorities) is such that financiers waive altogether the condition of collateral security.

Lastly, there is the possibility of local authorities obtaining State loans. This possibility exists, to quote one example, in England where local authorities can request long-term loans - when the capital market is tight - from

the Public Works Loan Board, a department of the Treasury.

Providing for the need of short-term credit

Generally speaking, local authorities do not encounter as many difficulties when seeking short-term credits since they can, as a rule, turn to the banks. Yet conditions can arise here, too, which may render difficult the raising of such loans.

In countries where banking is, so far, little or not at all developed it will naturally be almost impossible to find a financier and, even should this be achieved, the costs of such credit will be relatively high owing to the lack of competition. High costs may also be caused by the fact that financiers may not be adequately conversant with the financial structure of local authorities and might therefore consider the lending risks to be greater than they actually are.

Central provision of local authorities' credit requirements

It has been demonstrated that providing for the credit requirements of local authorities can be improved in many instances by organizing such provision centrally.

As a rule, some of the local authorities of a country do not dispose of their ordinary revenue as soon as it has come in; in other words there exists a certain time-lag between receiving and disbursing this income. The centralization of temporary surpluses creates a basis for the granting of short-term credits to local authorities which are temporarily in need of funds pending the receipt of ordinary or other revenue. This means interest earnings for the centralizing institution which enable it to pay interest on the funds deposited with it by local authorities having a surplus on their hands. It is therefore possible to organize, through a municipal credit bank, mutual assistance among local authorities in the field of short-term credit by making interest-earning investments.

The credit potential of a municipal credit bank can be strengthened greatly if, as for example in Belgium, Spain, and the Netherlands, all grants and other revenue and loan payments of the State to the local authorities are paid directly into the current accounts which every local authority has with the bank and if most or all of them leave the money deposited there until payments have to be made. Such a policy strengthens the short-term credit position of local government and makes for a flexible and well organized transfer of payments.

The utilization of a specialized institution acting on behalf of several or all local authorities jointly will strengthen their position on the capital market.

In the first instance, a specialized institution is in a better position to make use of all possibilities offered by the capital market than would be the local authorities individually.

Secondly, such an institution has a better opportunity to influence the conditions prevailing on the capital market in favour of the wishes and requirements of local authorities than they could do separately.

Thirdly, a specialized municipal credit bank can raise long-term loans more easily than can individual local authorities and that for the following reason: instead of granting relatively small loans to a multitude of local authorities and possibly having to assess the credit-worthiness of each of these local authorities separately, lenders can make available much larger amounts to an institution whose credit-worthiness can be assessed without any knowledge of the standards applicable for assessing separate local authorities (this knowledge being the preserve of the municipal credit bank).

The combination of credit requirements of individual local authorities which, taken separately, would be too insignificant, opens up the possibility of turning to the open capital market by issuing a debenture loan. The municipal credit bank will then lend the proceeds of such an issue to the local authorities on a private basis.

Incidentally, it must be pointed out that the use of a municipal credit bank does not increase the absorptive capacity of the domestic capital market unless the bank chooses its field of activity in a manner which simultaneously tends to stimulate saving. An institution of this kind may, however, rightly be expected to enable local authorities to attract a fair proportion of the total amount of savings available in the country concerned.

Moreover, a municipal credit bank may render services in attracting loan capital from abroad. It is not only in a better position to borrow an adequate amount on a foreign capital market but it can also make better provisions against risks of fluctuations in foreign exchange than can the individual local authorities. In addition, a municipal credit bank is in a better position to decide to which sources to resort.

Finances of municipal credit banks

Generally speaking, the furnishing of short-term finances to municipal credit banks is accomplished with a minimum of difficulty. Contrary to the need for long-term funds which keeps increasing, the need for short-term

means is limited - albeit with certain fluctuations (obviously there may be a structural increase in the need for short-term finances owing to, for example, a rise in the level of local authority revenue and expenditure).

The centralization of all payments made by the central authority to local authorities in a municipal credit bank has already been mentioned; this fact tends to impart to the bank a certain credit-potential. Additionally, the bank can absorb temporary surplus finances of different (state-) institutions and it is also conceivable that a part of the bank's own finances (capital stock and reserves) or an amount especially made available for that purpose by the central authority is used for the granting of short-term credit.

Last but not least it ought to be noted in this context that a municipal credit bank has the possibility of attracting bank deposits, particularly savings deposits, thus being able to have direct recourse to savings.

And thus we come to the subject of providing a municipal credit bank with long-term credit, since experience has shown that a considerable part of such deposits always remains, in fact, at the disposal of the bank. Thus part of this money can be lent to local authorities on a long-term basis without any reservations. 1)

Apart from this method which certainly deserves our greatest attention, the furnishing of long-term finances to municipal credit banks is less uncomplicated in certain given instances. In actual practice, therefore, a multiplicity of methods is used; however, these can be reduced to three main principles, namely, obtaining finances a) by borrowing from the capital market, b) from the local authorities themselves, and c) through the intervention or in collaboration with the central authority. These methods can also be found side by side.

Mention has already been made above of borrowing on the capital market either in the form of debenture loans or in the form of private loans. The conditions to be satisfied for this purpose have likewise been mentioned. From these it can be deduced that the method of borrowing on the capital market will offer only limited possibilities to various developing countries.

Moreover, local authorities themselves may collect (part of) the long-term finances. Thus the basic capital of Iller Bankasi (Turkey) in which the different groups of local authorities participate with a given percentage is composed of an annual contribution of 5% of these local authorities' ordinary revenue. 2)

The provision of credit to local authorities by savings banks assumes various forms. Savings Banks may grant private loans to local authorities direct, they can subscribe to debenture loans of local authorities, and lastly, they may grant credits, under different forms, to financial institutions which in turn use the finances thus obtained to furnish loans to local authorities.

That savings banks should engage to a large extent in the supplying of credit to local authorities is understandable considering that the funds they collect - the savings of many small savers - have to be invested at a minimum risk. After credits supplied to the State, those to lower governmental bodies are usually regarded as involving the least risk.

2) Cf. International Information Centre for Local Credit-Iller Bankasi (Turkey) Bulletin December 1960.

¹⁾ In Europe savings banks play an important part in furnishing credit to local authorities. In different countries, e.g. in Germany (cf. The German Savings Bank Organization, Deutscher Sparkassenverlag, Stuttgart, 1958), savings banks have their roots in the municipal sphere. In other countries, such as Italy and Luxembourg, the State Savings Bank has also developed into a municipal credit bank.

If it is impossible or difficult to obtain long-term credit from the capital market in any given country, the central authority may help in different ways.

Such assistance may in the first instance be directed towards the establishing or strengthening of the position of a municipal credit bank on the money- and capital market. We might take as an example the participation of the State in the basic capital of the bank, or the lending of a State guarantee to all or certain transactions made by the bank on the money- and capital market, etc.

In the second place, support by the central authority may be of a more direct nature, for example, if the State provides, to a greater or lesser extent, the means required for lending, either in the form of non-repayable contributions or in the form of advance payments, etc.

We now quote some examples of support by the central authority to a municipal credit bank: In Norway, the entire basic capital of the municipal credit bank was furnished by the State (cf. Norges Kommunalbank, p. 13 et ff.); in the Netherlands, half of the share capital is held by the State (cf. Bank voor Nederlandsche Gemeenten, p. 16 et ff.); in Israel the State uses the bank as an intermediary for supplying loans from the development budget to local authorities. 1); in Guatemala the bank (Instituto de Fomento Municipal) receives its capital in the form of a given percentage of a number of taxes (cf. Instituto de Fomento Municipal, p. 10 et ff.).

Existing municipal credit banks

In contrast to the United States of America, where banks deal in the first instance indirectly with long-term credit to local authorities by acting as intermediaries in the placing of municipal debenture loans 2) there are elsewhere a large number of financial institutions that furnish long-term loans direct to local authorities. These institutions include a number that, in addition to their other activities, engage in this type of business on more than just a casual scale, among them the "Caisse des Dépôts et Consignations"3) in France, the German "Sparkassen" with their respective regional head offices and the co-ordinating institution "Deutsche Girozentrale-Deutsche

¹⁾ Cf. E. Hartman: Otzar Hashilton Hamekomi, The Bank of Israel Local Authorities - International Information Centre for Local Credit, Bulletin, April 1962.

²⁾ Cf. Investment Bankers Association of America: Fundamentals of Municipal Bonds, 1959, and International Union of Local Authorities - Local Government Finance and its Importance for Local Autonomy, 1955: "Local governments in the United States do not raise loans by the issue of stock quoted on the Stock Exchange. There is only one municipal security in the entire United States traded on a listed Stock Exchange. This is one series of New York City bonds payable in 1980, called "corporate stock". All other municipal bonds are traded in what is called an "over-the-counter" or "unlisted market". "Sometimes when there is no market for the loans of a local government or when the state authorities have funds which they wish to invest, the state government may purchase part or all of a local government loan directly from the municipality or from a private broker."

³⁾ Cf. International Information Centre for Local Credit: The "Caisse des Dépôts et Consignations" - Bulletin April, 1960; The rôle of the "Caisse des Dépôts et Consignations" - Bulletin October, 1960.

Kommunalbank¹¹) the "Caisse d'Epargne de l'Etat" in Luxembourg, the "Kantonalbanken" in Switzerland, the "Caixa Geral de Depósitos, Crédito e Previdência"2) in Portugal, etc.

Moreover, there are a number of financial institutions that were set up with the sole object of meeting the credit requirements of local authorities; (these do not, therefore, include a number of municipal pension funds, such as the "Kommunal Landspensjonskasse" in Norway and the "Kommunernes Pensjonsforsikring" in Denmark which tend, in fact, to place their investments in the municipal sphere but whose activity in this sector is merely an offshoot of their main function).

Banks that make it their sole task to provide credit for local authorities are found in Belgium, Denmark, Guatemala, Israel, Japan, the Nether-

lands, Norway, Austria, Spain, and Turkey.

The respective structures and business procedures of these banks differ widely, chiefly as a result of differences in the structure of municipal finance and in the organization of the capital market in these various countries.

As a general principle it can be stated that as the credit-worthiness of local authorities increases and the capital market becomes easier and better organized, so the need for State intervention decreases. The fact remains, however, that although State intervention is sometimes not necessary to ensure the flexible working of a municipal credit bank, it is nevertheless a commonly accepted notion that a certain degree of State supervision is called for in the case of an institution which can by its conduct of affairs often exert considerable influence, first of all on the capital market on which the State is also a heavy buyer, and secondly on the level of public services available to the population as a whole.

In what follows, a short outline will be given of a number of municipal credit banks which as regards structure and business procedure have a number of characteristic features.

I. <u>INSTITUTO DE FOMENTO MUNICIPAL</u> (Guatemala)

Introduction

The congress decided to establish the Instituto de Fomento Municipal, liquidating at the same time the Departemento de Crédito Municipal, which had been established by Presidential Decree as a temporary measure; the aforementioned institute commenced its activities on March 21st, 1957. It has been set up as a state institution with autonomy as regards the execution of its task.

The task of the Departemento de Crédito Municipal that had been set up as a department of the national mortgage bank of Guatemala consisted in aiding local authorities to solve their development problems, pending the establishment of an institution specifically serving that purpose, by granting

¹⁾ Cf. The German Savings Banks Organization - Deutscher Sparkassenverlag, Stuttgart, 1958, and special issue of the Bulletin of the International Information Centre for Local Credit devoted to the conference of the Centre in Düsseldorf in November, 1961:
P. Hartmann: Deutsche Girozentrale - Deutsche Kommunalbank.
Dr. E. Floss: The new law on the credit system in the view of the Deutsche Girozentrale - Deutsche Kommunalbank.

²⁾ Cf. International Information Centre for Local Credit: The "Caixa Geral de Depósitos, Crédito e Previdência", Bulletin June, 1960.

technical and financial assistance. The experience acquired during this initial period proved of use when the Instituto de Fomento Municipal was founded.

The Instituto de Fomento Municipal is not purely, and perhaps not even principally, a financial institution. As the name would indicate, it is an institution for municipal development and the financial assistance granted to local authorities constitutes but part of the institute's activities.

The technical, administrative, and commercial aspects inherent in its

task of development, occupy just as important a place.

Before examining the financial activities of the Institute, we shall, therefore, analyse its principal non-financial tasks.

Planning

Municipalities planning to carry out certain projects, such as the setting up of markets, the building of slaughterhouses, of schools, of buildings earmarked for public service, the construction, extension, or improvement of water-mains, may turn to the technical department of the Institute which will elaborate the plans and budgets for such works, free of charge.

Supervision of construction of municipal projects

The technical department of the Institute can also supervise the construction of municipal projects. In doing so, the department can either direct or supervise works carried out under the direction of the District Chief of Public Works 1) or by private contractors.

Purchasing Agent

The Instituto de Fomento Municipal acts as central purchasing office on behalf of local authorities acquiring material, machinery and other items of equipment, availing itself, where necessary, of the assistance of other governmental institutions. Moreover, it also invites and awards tenders for projects initiated by local authorities.

Economic Office

The Instituto de Fomento Municipal counts among its attributes an economic office which advises local authorities on how to draw the maximum benefit from their investments. In addition, it promotes rationalisation plans relating to municipal services, institutions and utilities and also encourages projects aiming at increasing municipal revenue within the framework of a fair distribution of the charges.

Legal Office

The legal office renders assistance to local authorities in the drawing up of contracts, the drafting of decrees and regulations, in short, in all matters on which legal advice is requested.

¹⁾ Official of a public body, the General Directorate of Public Works, which frequently co-operates in municipal projects, for instance by furnishing materials and manpower.

Financial Activities

According to the enumeration contained in the constituent law relating to the Institute, it is empowered to grant both long-term loans and short-term credit to local authorities, to assist local authorities in obtaining financial means by entirely or partly guaranteeing the payment of interest and redemption of loans contracted elsewhere and, finally, it is authorized to make available various other banking services to municipalities.

The provision of long-term loans

The loans granted by the Institute for the financing of investment projects or for the payment of material and machinery must fit into the annual basic assistance plan drawn up by the director of the Institute and approved by the board of management.

In drawing up its basic plan of assistance, the Institute is required to adjust its credit policy to the investment plans considered desirable by the central authority. In doing so, priority is allotted to investments considered socially useful or of primary importance to the population, this priority comprising in the first instance drinking water supplies and sanitary provisions of all kinds. In establishing the priorities laid down in the basic assistance programme, the following aspects must also be taken into account:

- a. the size of the projects;
- b. the financial capacity of the municipalities;
- c. the economic situation prevailing in the municipalities.

Within the bounds of the Institute's possibilities, any local authority may obtain a maximum loan of 60,000 quetzales, a maximum which, however, can be increased in certain instances by the board of management.

The currency of the loans is fixed, wherever possible, according to actual needs, but must not exceed a period of 10 years. At any rate, care is taken that both the amount borrowed and the currency render possible the establishment of a plan of redemption that will not cause any difficulties to the municipality.

The rate of interest will depend on the currency and the purpose of the loan as well as on the financial resources of the local authority but must not exceed 5% p.a. to be computed over the non-redeemed part of the loan.

The provision of short-term loans

Apart from the mention in the law that the Institute may grant shortterm loans, no further details are to be found on this point.

However, there is an important regulation deserving of mention in this context, namely, the obligation of local authorities to deposit their (temporary) cash surpluses with the Institute.

This regulation provides the basis on which the Institute can run its short-term credit business. The regulation does not entail any difficulties for the local authorities since they can make their payments via their deposits with the Institute to every place in the country as the Institute has concluded pertinent agreements with a number of banks.

Financial sources of the Instituto de Fomento Municipal

The Instituto de Fomento Municipal has at its disposal a "Fondo Patrimonial" in which all financial means available to the Institute for loaning

to municipalities are collected.

The "Fondo Patrimonial" receives its supplies from different sources. In the first instance this fund receives an annual percentage of the state budget, fixed by the central authority in accordance with a basic assistance programme drawn up by the Instituto de Fomento Municipal. The central bank of Guatemala makes monthly transfers to the Institute of one twelfth of the amount thus established. In the second place, the "Fondo Patrimonial" receives the revenue from the special liquor duty. In this context the following details can be mentioned:

In 1954, the government decided to levy in all municipalities, except in Guatemala City, a special liquor duty of 8 centavos on every liter of liquor consumed within the municipal boundaries. The revenue from this duty was destined exclusively for use in municipal works of public utility, the plans and budgets of such works being subject to examination by the Ministry of Home Affairs, the expenditure also having to be approved by the said Ministry. The same Presidential Decree as established the Departemento de Crédito Municipal provided that the revenue from the special duty on liquor should be used to finance loans granted by the Departemento.

This source of revenue was passed on to the Instituto de Fomento Munnicipal upon the latter's inception. In this way local authorities participate in the capital (Fondo Patrimonial) of the Institute. Local authorities cannot claim that share back. The Institute informs the municipalities from time to time of the extent of their assets. In addition to the percentage of state revenue and the revenue from the special liquor duty the Institute can also draw, for its finances, on possible loans and credit to be taken up elsewhere, and on contributions made by the State for specific objects. As far as is known, only the two first named sources of revenue have, so far, proved to be of any practical significance. The Institute does not seem to have taken up any loans.

The "Fondo Patrimonial" amounted to 2,968,669.77 guetzales as on

June 30th, 1959.

Article 14 of the above-quoted constituent law contains the provision that the municipalities are responsible for the operations of the Institute only to the amount of their respective participations in the "Fondo Patrimonial".

Management

The management of the Instituto de Fomento Municipal is vested in a board of management and a director.

The board of management consists of three members and three deputies whose term of office extends over a period of four years. One member and one deputy are appointed by the President of Guatemala, one member and one deputy are appointed by the association of Guatemalan municipalities and one member and one deputy are appointed by the Monetary Council of Guatemala. The member designated by the President of Guatemala is, at the same time, Chairman of the board of management, the member designated by the association of municipalities is Vice-Chairman of the board.

The board of management proposes three persons from among whom the

President of Guatemala designates the director.

The constituent law relating to the Instituto de Fomento Municipal describes in detail the tasks of the board of management, of its chairman and of the director.

II. CREDIT COMMUNAL DE BELGIQUE (Belgium)

Structure

The Crédit Communal de Belgique enjoys the legal status of a limited liability company. Its shares are held by the provinces and municipalities and for this reason the company is actually more in the nature of a credit co-operative.

This fact is further accentuated when it is realized that the Crédit Communal began its operations completely without paid-up capital. This capital was formed as follows: every time a loan was furnished the province or local authority borrowing subscribed and paid into the capital stock an amount equal to 5% of the loan sum (payment took place by retaining 5% of the loan sum). It is only natural that in the course of time the relationship between issued and paid-up capital on the one hand and the total of outstanding loans on the other should become increasingly favourable, for as fresh loans were granted the issued and paid-up capital increased proportionally, whereas as old loans were redeemed, no proportional part of the capital was paid back.

In this way it was possible in 1911, when the paid-up capital was considered sufficient, to lighten the obligations of borrowers by resolving that in future only 10% of the new capital subscription need be paid up. After 1948, subscriptions to the share capital were discontinued altogether.

The Crédit Communal was formed for a period of 99 years and was therefore due for renewal of association in 1959. The opportunity was then taken to amend the Articles of Association so as to allow recapitalization.

At the time, the nominal capital stood at B. frs. 558, 197, 300. - of which B. frs. 17, 143, 600. - was fully paid-up and the remainder only to the extent of 10% of the nominal value. Repayment then took place to the extent of 90% on each fully paid-up share. After all shares had thus been placed on the same footing, they were then paid up fully by drawing on the company's reserves. To improve the appearance of the balance sheet and to provide provinces and local authorities that held no or too few shares in the 'Crédit Communal with the opportunity of becoming shareholders on reasonable terms, the capital stock is also to be increased to B. frs. 700 million.

Management

The management and supervision of the Crédit Communal de Belgique are vested in the general meeting of shareholders, the board of management, the managing director, the business committee, the supervisory committee and the government commissioner.

The members of the board of management and the supervisory committee are appointed by the general meeting of shareholders.

The managing director is appointed by the board of management.

The business committee is composed of members of the board of management and the supervisory committee.

The Belgian government is entitled to nominate a commissioner to the company. This commissioner's supervisory powers are unlimited. He is authorized to oppose any measure contrary to the law, the company's Articles of Association or the interests of the State or local authorities.

Clients

The Crédit Communal de Belgique supplies credits both to municipalities and provinces and to institutions obtaining municipal or provincial guarantee for such credits.

Long-term loans

Long-term loans are at present furnished for terms of up to a maximum of 20 years. The annual repayments are so calculated as to form, after addition of interest, a yearly charge approximately corresponding to a constant annuity. Accelerated redemption is possible.

Prior to 1948, loans were also furnished for longer terms; these were

redeemable only on an annuity basis.

The Crédit Communal de Belgique also pays due attention to mediumterm credit. For instance, it grants loans with terms of from 6 to 10 years that are repayable in equal annual instalments and can in principle also be prematurely redeemed. In this connection, mention should also be made of the so-called fixed loans with a maximum currency of 5 years, which are normally repaid "en bloc", but which may alternatively be repaid either in whole or in part prior to the due date by the borrower from extraordinary revenue from the sale of immovable property, should he so desire.

As regards the sources of finance, mention may first be made of public issues of debentures for terms of 66 and 33 years. In view, however, of developments on the Belgian capital market after the second world war, characterized by a marked reluctance on the part of investors to enter into long-term commitments, the Crédit Communal de Belgique has discon-

tinued these issues since 1948.

In addition to these normal debenture loans the Crédit Communal has on many occasions floated premium loans on the open capital market, viz. in 1861, 1932, 1938, 1959 and most recently in 1960.

The main source of its finance today, however, is formed by what are called cash certificates, first issued in 1913, with a view to meeting the then relatively small short- and medium-term credit requirements. The funds thus raised are now also used to provide long-term loans (maximum 20 years).

At present, the following cash certificates are being issued:

One-year certificates : payable on due date.

Two-year certificates: the interest for the first year is payable

in advance, whereas interest for the second year is added to the redemption

sum.

Three-year certificates: the interest due for the first year is pay-

able in advance whereas interest for the second and third years is added to the re-

demption sum.

Five-year certificates : five yearly coupons attached.

Ten-year certificates : ten yearly coupons attached.

These cash certificates are continuously being placed with the public through local agents of the Crédit Communal de Belgique in nearly all municipalities in Belgium. With the exception of a few issues of 10-year certificates, they are not quoted on the Stock Exchange.

Another source of funds is what are called depositor's books, in which the deposits of private persons are received. These deposits fall completely within the category of savings balances and display a corresponding stability. A substantial proportion of the monies thus obtained can therefore be

quite safely used for granting medium- and long-term credit.

Since the long- and medium-term loans furnished by the Crédit Communal are principally financed by monies raised on shorter terms, special provisions have been made to ensure a proper balance between interest received and interest paid.

For loans furnished from funds raised on short- or medium-terms, it is too risky for the Crédit Communal to establish the rate of interest for the

whatsoever as to the interest that it will itself have to pay out during the years the loans run. This explains why every six months the board of management fixes retrospectively the interest rate of loans for the previous half year, in relation to the position of the capital market and the cost price of the funds raised.

Short credit

To bridge the time lag that exists in most municipalities and provinces between the disbursement of normal expenditure and the receipt of normal income, the Crédit Communal de Belgique provides advances on current accounts. These advances are repaid automatically in due course when the centralized receipts are paid into the accounts that all Belgian municipalities and provinces hold with the Crédit Communal.

Another way in which short credit is granted takes the form of discounting State subsidies. The State grants subsidies for a number of municipal investments, but since there is often a certain time lag between the State's final undertaking and actual payment, the Crédit Communal furnishes if desired, an advance of up to the maximum of the amount granted; this advance is repaid automatically as are also the current-account advances, as soon as the subsidy is paid into the municipality's account with the Crédit Communal.

Among the short-term funds raised mention should be made in the first place of the more often than not temporary surpluses deposited by public bodies and institutions. Such funds can only be appropriated for projects due for completion within a short space of time. The same holds good for some of the money paid into depositor's books by private persons.

Security

All municipalities and provinces keep an account with the Crédit Communal de Belgique into which, in addition to the subsidies referred to earlier under "short credit", the State also pays the shares of municipalities and provinces in central municipal and provincial funds serving to cover normal expenditure, together with taxes collected on their behalf by the State.

The Crédit Communal has the right to debit these accounts with its claims on local authorities and provinces arising out of interest and redemption payments on the respective due dates, by which means automatic settlement against the receipts mentioned in the previous paragraph takes place.

The bank takes care to ensure that any obligations arising out of interest and redemption payments on loans raised at the bank by local authorities and provinces, do not exceed the limits of the sums regularly paid into their accounts.

III. NORGES KOMMUNALBANK (Norway)

Structure

The 'Norges Kommunalbank' is a State bank founded by a special Act. The capital of N. kr. 80 million was furnished by the State, 25% in cash and 75% in the form of state debentures. In addition to this capital, the bank boasts two reserve funds, viz.:

1. a reserve fund formed substantially by annual surpluses. In 1958, this fund stood at N. kr. 37.4 million. It was originally created to

cover possible foreign exchange losses on loans raised abroad; at present these losses amount to approximately one-third of the fund;

2. an emergency fund formed by retaining a fixed percentage of every loan granted. In 1958, this fund stood at N.kr. 6.7 million.

Although as security for creditors the bank's capital is not of exceptional importance, it is by no means without significance. Loans and deposits raised by the Norges Kommunalbank may not, in fact, exceed an amount equal to ten times its capital plus half the reserve funds. Before further loans can be proceeded with, extra capital must be issued. Since the Norwegian Parliament must grant its permission for this, it can by this expedient exercise a certain measure of control on the scope of the Bank's commitments.

Management

The management of the Norges Kommunalbank is entrusted to a board of governors consisting of 5 members, of which the Chairman and Vice-Chairman are appointed by Parliament and the remaining three by the King. The Director is nominated by the board of governors.

The Ministry of Finance supervises the bank and lays down the auditing procedure to be followed. Its balance sheet and profit and loss account are submitted to this Ministry and finally, for ultimate approval, to Parliament.

The King is empowered to lay down rules governing the bank's activities.

Clients

The object of the Norges Kommunalbank is to lend money to municipalities, harbour authorities and syndicated municipalities (intercommunes). Loans may also be furnished to electricity and water supply concerns provided that their capital is provided in whole or in part by municipalities or that the loans are guaranteed by local authorities. Finally, the bank may also guarantee loans obtained by local councils from sources other than the bank.

Long-term loans

As a general rule it could be said that the Norges Kommunalbank has always regarded it as its principal function to finance those municipal projects that cannot be financed by the municipalities themselves nor by resorting to alternative sources of finance. This includes not only the projects of local authorities with limited resources but also large-scale projects of municipalities that are, in actual fact, financially strong but still require a certain measure of assistance from the bank, partly on account of the fact that the credit system in Norway is so decentralized that very large sums are hard to come by. The Norges Kommunalbank attracts the funds required for granting credit to local*councils, etc., by issuing medium- and long-term debenture loans.

During the first few years of its existence, when the home capital market offered few possibilities, the bank raised a number of different loans abroad, chiefly in the United States and Sweden.

Up to the second world war the bank always reserved the right when issuing loans to pay them in cash or alternatively, if it was more convenient, in the form of bearer debentures. It was then up to the borrowers themselves to place these debentures on the market before they could encash the money they were borrowing. This method had practical drawbacks because

the local authorities introduced large amounts of debentures into the market very often at an unfavourable moment, which tended to lower their quotation. Since 1945, the bank has paid its loans in cash only.

Naturally this brought about a change in the procedure of placing the debentures. Whereas before the war the debentures were issued gradually in response to requirements, in post-war years it became the custom to get in touch with one of the leading Norwegian merchant banks, which would then undertake to place the issue on the market either by itself or in company with other banks. Sometimes an issue of this type is taken over entirely by an issue syndicate, in which case the Norges Kommunalbank runs no disposal risk.

A very important fact is that since 1929 all loans raised by the bank have

been State-guaranteed.

Another feature of the way in which the debentures of the Norges Kommunalbank are placed is that the assets of the guarantee funds, of which more later, as well as the profits made by these funds are deposited at the bank in the form of bank debentures.

Finally, the bank adheres to an interest margin between money raised and money lent of $\frac{1}{2}\%$ in the case of loans with a term of more than 10 years and of $\frac{1}{4}\%$ in the case of those with shorter terms. These percentages, however, are subject to changes if necessary.

Short credit

The Norges Kommunalbank furnishes no short-term credit, but leaves this to the private banks.

Against this must be set the fact that the bank is not authorized to accept deposits from the public either. Since 1954, however, municipalities, harbour authorities, syndicated municipalities (intercommunes) and municipal pension funds have been allowed to place deposits with the bank.

Security

Before granting a loan the Norges Kommunalbank satisfies itself that the financial position of the municipality, etc., is sound and that any mort-gage offered as security is adequate (in Norway local authorities are authorized to create a mortgage on the immovable property which the loan will be used to finance, provided at least that the proposition is a paying one; non-paying projects are usually not carried out on loan money).

Since 1949, there have been two guarantee funds, which enable the bank

to furnish loans to less creditworthy local authorities.

In the first place there is a special guarantee fund set up with the object of providing securities for loans by the Norges Kommunalbank for financing electricity and water projects. Even if these projects are paying propositions, the bank still considers it essential to adhere to an extra 20% over and above the mortgage value. This extra 20% is then usually secured via the special guarantee fund.

This fund is formed of N. kr. 5 million from the State, while, in addition, every electric power station with a certain capacity contributes 4 öre per 100 kWh of electricity produced. On top of this, a small percentage of every loan secured via the fund is retained and paid into the fund by way of

a consideration for the guarantee lent.

In the second place there is a general guarantee fund, created with the object of furnishing guarantees for loans to be granted by the Norges Kommunalbank for municipal projects other than those covered by the special guarantee fund, provided that they are of a permanent nature.

This fund was formed by the transfer of N.kr. 20 million from an existing fund for the adjustment of local taxes. The local authorities also have to surrender a small percentage of the annual local taxes by way of a contribution.

Guarantee may only be provided by the funds if without it no loans are

obtainable from the Norges Kommunalbank.

The guarantee funds are managed by the Ministry of Local Government and managed by a board of which the Chairman and Vice-Chairman are nominated by the above Ministry, one member by the board of governors of the Norges Kommunalbank and two others by the association of Norwegian municipalities. In the case of guarantees for loans to finance electricity and water projects or the building of schools, this board is joined by a representative from the Ministry of Industry or the Ministry of Education. The Director of the bank attends the meetings of the board.

V. BANK VOOR NEDERLANDSCHE GEMEENTEN (The Netherlands)

Structure

The "Bank voor Nederlandsche Gemeenten" is a limited company whose shares are held half by the State and half by local corporations.

The share capital of D. gld. 100 million is divided into D. gld. 7 million of A shares and D. gld. 93 million of B shares. The A shares are fully paid

up and on the B shares a proportion of 10% is paid.

The number of votes that can be cast at the general meeting of share-holders may amount to six per shareholder, this regulation also applying to the State.

Management

The management of the Bank voor Nederlandsche Gemeenten is entrusted to the general meeting of shareholders, the board of directors, the super-

visory committee and the management.

The board of directors has one member appointed by the Ministry of the Interior, one by the Ministry of Finance, two by the Association of Netherlands Municipalities and the remaining eight by the general meeting of shareholders. The supervisory committee is formed from the board of directors, and, by virtue of their office, the two government commissioners also have seats on it. The other six members are nominated by the board of directors, with the proviso that one of the two directors appointed by the Association of Netherlands Municipalities is included.

The appointment of managers, the issue of loans, amendments to the Articles of Association as well as the balance sheet and profit and loss account are subject to the approval of the Government.

Clients

The Bank voor Nederlandsche Gemeenten grants credits to or under the guarantee of municipalities, provinces, inland polder boards and other public corporations and companies whose shares are exclusively or at least for the most part the property of public corporations, to associations whose members are without exception public bodies and to foundations whose associates are without exception public bodies.

Long-term loans

There is an extremely wide variety in the terms and conditions on which long-term loans are furnished by the Bank voor Nederlandsche Gemeenten. The bank has, for instance, lent money out for 50 years - but also for five. At present, the commonest terms range from 20 to 30 years. In earlier years, annuity loans used to be issued, but nowadays this is the exception rather than the rule. There is in addition a range of types of interest and redemption schedules. This variation in the conditions governing loans is very closely tied up with the local authorities' requirements as regards the duration and redemption of loans. The bank endeavours to meet these as far as is feasible.

The bank raises its funds by means of private loans or debenture issues. The private loans are contracted with institutional investors, whereas the debenture loans are launched on the open capital market. The importance of each of these sources of finance can be seen from the position of the amounts still outstanding on January 1st, 1960:

Debenture loans D. gld. 2, 297 million.

Private loans D. gld. 2, 541 million.

In addition to normal debenture loans the Bank voor Nederlandsche Gemeenten has also issued a number of special types of debenture loans, that is to say with deferred interest payment. To begin with, there is the debenture loan which bears no interest whatsoever for the initial years of its duration, but which then for a certain period bears relatively high interest and for the final years of its term a high interest rate $(0/5/10\%\ loan)$. In the second place there are savings certificates on which no interest at all is paid throughout their entire term but which are finally repaid inclusive of compound interest accruals.

Since 1959, it has been made possible to have entries made in the debenture register, instead of holding large numbers of bank debentures.

Short credit

The Bank voor Nederlandsche Gemeenten furnishes short credit in the form of current-account credit and of what are called cash loans, i.e. short-term loans for fixed terms of from 3 to 12 months.

This short credit is used to bridge the time lag that can occur between the disbursement of normal expenditure and the receipt of normal income, or alternatively to finance capital expenditure in advance.

In the first case, just as with the Crédit Communal de Belgique, repayment takes place through the major part of the local authorities' normal income, i.e. that from the State and the State-run municipal fund, being paid into the account that each municipality has with the bank. In the second case, the loans are repaid with the proceeds of long-term loans, which become available at a later stage.

The short-term funds raised by the bank mainly derive from the public corporations themselves. Temporarily surplus funds may be entrusted to the bank either in a current account or as a time deposit. In addition, the bank raises short-term credit on the money market in the form of call money and cash loans (with fixed terms of from 1 to 12 months).

Security

In the Netherlands, the obligations of local authorities arising out of interest and redemption payments constitute expenditure compulsory by law. The supervisory authorities can, if necessary, have such sums entered in the budget and issue corresponding payment orders.

Added to this, the same authorities are careful to check that the municipalities do not assume excessive commitments for their means, quite apart from the fact that local authorities keep a watchful eye open for the same thing themselves.

In this connection it is also interesting to note that the normal income obtained from or through the State is paid into the account held with the bank

by each municipality.

V. KREDITFORENINGEN AF KOMMUNER I DANMARK (Denmark)

Structure

Both de jure and de facto the Kreditforeningen af Kommuner i Danmark is a true credit co-operative, whose members are municipalities.

Membership of the co-operative extends to every municipality that has received a loan from it or has, in its capacity of member of a community of interests, stood surety for a loan contracted with the co-operative by that same community of interests.

Members are divided into two sections: the provincial capitals (Amts-kommuner) and rural municipalities (Landskommuner) form one, and the re-

maining cities and market towns (Köbstadkommuner) the other.

In principle, the joint and several responsibility is confined to members of the same section. Only in respect of obligations devolving upon the co-operative from the issue of debentures are the two sections regarded as one. Should one section be unable to furnish its share, the deficit must be covered by the other, which has the right to claim restitution from the section in default.

The co-operative has two types of reserve funds. In the first place there are those belonging to the two sections. Each of these funds is supplied by a system whereby $\frac{1}{2}\%$ of every loan furnished has to be paid into the fund belonging to the section in question. Where a borrower has repaid his loan in its entirety and is thereby released from the solidary responsibility, he may receive repayment of a sum proportional to the original amount of the loan. This repayment may, however, only take place if it would not have the effect of reducing the reserve fund to below $\frac{1}{2}\%$ of the whole section's remaining indebtedness to the co-operative.

In the second place, there is an expense reserve fund which serves to cover administrative expenses. It is kept supplied by each borrower paying in twice each year a sum equal to 0,05% of the original amount of the loan.

Management

The management of the co-operative vests in the board of governors and the management. The board of governors consists of eight persons, elected half by one section and half by the other. For the purposes of this election, each member has one vote, with the rider that an extra vote is given to members that have taken up loans totalling more than D.kr.200,000 with the co-operative.

The management is appointed by the board of governors.

The Minister of the Interior exercises supervision in respect of the conduct of affairs. The governors of the Kreditforeningen af Kommuner i Danmark are bound therefore to provide him with any information he may request as to the operations and financial position of the co-operative. The Minister nominates one of the two auditors and must sanction the appointment of the other. In addition, amendments to the Articles of Association

are subject to his approval. Finally, he is empowered, if in his view the board of governors is manifestly jeopardising the guarantees given to creditors and if the necessary measures to remedy this state of affairs are not taken within a reasonable space of time, to put a stop to the co-operative's activities or alternatively may take all steps dictated by the circumstances to bring about the realization and repayment of its assets.

Clients

The co-operative's aim is to furnish loans to or under the guarantee of municipalities. In addition, loans may be granted to communities of interests, on condition that, in accordance with their Articles of Association, all members together constituting the community of interests are jointly and severally responsible for the loans contracted and that one or more members are municipalities.

Long-term loans

The co-operative furnishes to its members long-term loans for terms of usually not more than 30 years. For street and road construction and the laying and extension of electricity, gas and water mains systems the duration is limited to 15 to 20 years.

The sums lent by the Kreditforeningen are not made available in cash but in the form of a given number of debentures up to a nominal amount equal to that of the loan. It is then left to the municipalities to sell these bonds on the capital market as their money requirements develop.

If a municipality so desires, however, the management of the co-operative is obliged to attend to the encashment of the debentures, the expenses involved being borne by the municipality.

Redemption by the municipalities can take place at any time by their returning debentures belonging to the same series as that constituting the loan in question. Repayment in cash is also possible; in this case the local council has to give notice four months before the normal fixed redemption date (11th June or 11th December).

Municipalities cannot release themselves before the due date from their joint and several liability by extra redemption.

The counterpart of the municipalities' right to accelerated redemption is the co-operative's right to pay off prematurely the bonds issued by it.

The Kreditforeningen issues the debentures in series that can sometimes be placed for very long periods. The first series, for example, was issued for 25 years.

The duration of a series may vary: the majority run for from 30 to 40 years. After the second world war series with runs of $12\frac{1}{2}$ and $20\frac{1}{2}$ years were also issued.

Since 1903, there has been a register of debenture holders in which bonded claims can be entered instead of holding circulating debentures. At the end of 1956, 41% of the co-operative's outstanding indebtedness consisted of entries in this debenture register.

The interest that municipalities have to pay on loans obtained from the cooperative is equal to the interest the co-operative has to pay on the debentures (administrative expenses are defrayed from the special fund set up for the purpose). (Cf. section on "Structure").

Short credit

Short credit is not furnished by the Kreditforeningen.

Security

Vis-à-vis both its lenders and its jointly and severally responsible members the Kreditforeningen has the task of checking the security of credits granted.

For this reason the co-operative always makes a very detailed inquiry into the financial circumstance of a would-be member. Special attention is devoted to taxation sources, any income from public utility services, harbours, etc., financial management in the past, possibilities of stepping up proceeds from taxation and the profitability of the project to be financed.

Sometimes the co-operative demands collateral security in the form of a mortgage on municipal properties. Nowadays, this practice has more or less died out, but it used to be quite common in the financing of public utility enterprises.

The loan agreement always includes a clause whereby the municipality undertakes to impose additional taxes should this prove necessary.

CENTRAL SERVICES TO LOCAL AUTHORITIES

A Study

prepared by Dr. W Hoven and Mrs. A. van den Elshout, Master of Laws, on behalf of the International Union of Local Authorities for the United Nations

Part IV

TABLE OF CONTENTS

Study on Central Government Services to Local Authorities

Part IV: SOME SELECTED COUNTRY REPORTS

JAPAN		<u>page</u> . J - 1
CEYLON		C - 1
ISRAEL		I - 1
BRAZIL		B - 1
YOUGOSLA VIA		Y - 1

JAPAN

l. Geography

Japan, consisting of four main islands, Honshu, the largest, Kyushu, and Shikoku to the south and Hokkaido to the north plus numerous smaller islands, has an area of about 370,000 $\rm km^2$ (143,000 square miles). Before World War II its area was 675,365 $\rm km^2$.

The climate of Japan, influenced by the monsoon and by the ocean currents, makes Japan ideal for the cultivation of rice, the principal agricultural crop. Because of its mountainous terrain less than 20 per cent of the land can be cultivated.

The present population is over 90 million which makes Japan the fifth

most populous country in the world.

Since Japan is poor in resources necessary for a rapidly developed and expanding industrial economy, the problem of feeding and providing employment for an increasing population remains serious. Large quantities of iron, zinc, petroleum, and coal and about 20 per cent of the food supply have to be imported.

Geography has played a leading part in Japanese history. Its insular position has given a special character to the life of Japan. Thanks to intervening waters, the country was able to keep out of the main stream of continental life and so protect its own individuality.

2. History

As to cultural influences, these the Japanese could accept or reject as they pleased, and though their civilization owes a great debt to China, they contracted it voluntarily on their own initiative and under no kind of pressure.

Their earliest system of government was modelled upon that of China, their social philosophy incorporated with indigenous elements many Chinese ideas, and it was to China that they owed their adoption of Budhism.

For several centuries Japan had been accustomed to long periods of feudal

warfar, in which contending factions struggled for supremacy.

In the early years of the seventeenth century the Tokugawa family had succeeded, after a series of victorious campaigns, in reducing to submission the powerful feudal lords who had opposed them. They thus acquired supreme authority in the land, all other feudal rulers being their vassals.

During the first three Tokugawa rulers of Shogun Japan already exhibited

some of the features of a centralized nation state.

One of the most important points to establish was the relationship of the Shogunate to the throne. The Shogunate was essentially a military dictatorship. It drew up regulations governing the position of the Emperor, whom was given fairly adequate revenues, but no administrative function of any kind. At no time, however, did the Shoguns ever attempt to claim the throne. The fiction of the ultimate authority of the Emperor was always scrupulously observed.

While the Emperor was an absolute monarch in theory, the Shogun was an absolute ruler in practice. In the early phase of the Tokugawa dominance the political relationship of the several feudal lords to the Shogun was of a feudal character, their local authnomy depending upon vassalage. 1)

Government at the village level was more or less autonomous. Village leaders were assisted by a village assembly. An important form of social

^{1) &}quot;The Western World and Japan" by G. B. Sansom, New York, 1958, p. 182.

and political control was the device of mutual responsibility. To this end, groups of five families were organized into a unit whose members were responsible for each other. 1) These five-household groups of the Tokugawa period involved every individual in a face-to-face pyramid of command. The purpose of this structure was explained as being the transmission of the will of those above to those below and of the feeling of those below to those above.2)

The whole of Tokugawa policy was designed to guard against revolt and

thus to ensure the permanence of Tokugawa rule.

This fear of domestic uprising had an important bearing upon the policy of seclusion.

By forbidding, in the 1630s, all foreign contacts except for carefully regulated trade with the Dutch and the Chinese at the port of Nagasaki, the rulers of Japan isolated the country, which therefore was unable to derive profit from an expanding foreign trade. On the other hand Japan enjoyed the two centuries and more of undisturbed peace that followed upon the exclusion edicts. The period of uninterrupted peace gave rise to an unprecedented scale of economic activities, trade and commerce accompanied by the development of individual skills and at the same time caused increasing uselessness of the large number of the samurai class, a class of fighting men. A law was promulgated, instructing them to devote themselves equally to arms and to politic learning. So the samurai, finding no further opportunity to distinguish themselves by their swords, turned to books and thereby prepared themselves to become leaders in a new Japan with new knowledge. The newly rising merchants and the economically dispossessed samurai thus constituted the core of the forthcoming bourgoisie or middle class of modern Japan. 3)

A combination of internal difficulties and foreign pressure led to a breakdown of the Shogunate. In 1867, the last Shogun resigned and "returned" authority to the youthful occupant of the imperial throne who came to be

known as Emperor Meiji, who reigned to 1912.

The Meiji Restauration as the transfer of power is called, was not a popular revolution but a kind of revolution from above in that its leadership was supplied by a group of young, low-ranking samurai which were traditionally hostile to the Tokugawa house. Once in power the young samurai leaders proceeded to implement a programme of modernizing the country. Their first task was to replace the complex and heterogeneous rule of the Shogunate by a single and uniform control over the whole country.

Quite in contrast to most of the Asian and African nations where national unity has been achieved only as a result of western colonial rule, Japan - while under a feudalistic regime - had developed a strong sense of national consciousness, and was able to face the West as a nation when it knocked at

her door in the 1850s. 4)

It was not until 1871, however, that the final step in the abolition of feudal institutions was taken by the issue of a decree which announced that feudal domains were henceforth to become units of local administration (prefectures) under the central government. But far from encouraging local autonomy the ruling group saw to it that local government should remain in the hands of a bureaucracy taking its orders from the capital and lacking discretionary powers. 5)

2) "Land Reform in Japan" by R. P. Dore, Oxford University Press (1959), p. 104.
3) Dr. Daisuke Kitagawa in his "Introduction" to "the Development of Social,

4) Dr. Daisuke Kitagawa, p. 8.

^{1) &}quot;Japan" by Nobutaka Ike in "Major Governments of Asia", edited by George McT Kahin, New York (1958), p. 141.

³⁾ Dr. Daisuke Kitagawa in his "Introduction" to "the Development of Social, Educational and Medical Work in Japan since Meiji" by Dr. Masao Tanaka in Publication on social change of the Institute of Social Studies, The Hague, no. 13, p. 7.

⁵⁾ Sansom, op. cit. p. 326 and 342.

The newly established government of the Meiji was by no means a democratic government but rather an authoritarian oligarchy controlled by the ex-samurai class from certain feudal fiefs allied with the newly rising financiers. Although great interest was shown in western political thought, Meiji leaders found western democratic ideas not to their taste. Instead they were convinced of concentration of political power at the top as the best way to make the country strong and rich in the shortest possible way.

Once Japan opened her doors to the West she was determined to catch up with the West as quickly as possible, the only way, as she saw it, to survive the impact of the West as a nation. Seeing what happened to India and China under western dominance, first priority was given to the development of modern military defense and Japans industrial policy was developed in

this direction. 1)

The attitude of the authorities towards the adoption of western institutions and customs was to a great extent shaped by their anxiety to show to western nations that the Japanese people had assimilated enough of western culture to justify their claims to be treated as members of a civilized modern state. 2)

In 1889 a constitution, granted, in theory, by the Emperor to his people, was promulgated. It included a great deal that was of German origin and very little of the English and French political philosophies which had been publicly recommended in Japan for the previous twenty years. That was only natural, as conditions in Japan and Germany were similar in many respects, both had an autocratic and warlike tradition, a strong monarchy, a powerful conservative ruling class (samurai and junker) and a determination to build up national strength at the expense of civil liberties. It was therefore not an example of strong cultural influence that Japan adopted German methods of administration, of military organization and of economic control. 3)

After the close of the first World War it became increasingly difficult to govern without some reference to the feelings and thoughts of the masses. Factors which contributed hereto were compulsory education, industrialization and urbanization.

In the 1920s the party politicians were in the ascendancy, especially in the Diet. Despite the growing influence of the party leaders there were certain sectors of government which lay beyond the effective control of the parties. The bureaucracy was jealous of its prerogatives; and the army and the navy, with their right of direct access to the throne, brooked no interference from the civilians in the government.

In the Showa era after the death of Emperor Taisho in 1926, the political party system came to an end, whilst the influence of the military gradually increased. The rise of the military led to a more stringent censorship and thought-control. Political parties were put under pressure to dissolve "volunt-arily" and thus disappeared from the scene.

By 1945, Japan, having fought continuously since the military occupation of North China in the summer of 1937, was in no condition to continue the war much longer and had no choice but to accept the Potsdam Declaration.

The Allied occupation of Japan lasted seven years (1945-1952), during which time a host of Occupation-sponsored reforms were attempted. Despite evidence of considerable social change, basic social values and time-honoured ways of behaviour remained relatively intact.

In this connection it is interesting to state that according to the well-known author on Japan, Sansom, the most important feature of the new Japanese Civil Code seems not to be the similarity of some of its provisions

¹⁾ Dr. Daisuke Kitagawa, p. 8-9.

²⁾ Sansom, op. cit., p. 384.

³⁾ Ibid, p. 362-364.

to those of one foreign code or another, but rather its adoption of the concept of rights as contrasted to obligations. This characteristic principle of modern European law introduced an entirely new concept into Japanese legislation, for the notion of rights is foreign to the Japanese, who is only accustomed to duties. Here Sansom sees a distinctive case of the exertion of direct Western influence upon Japanese culture. 1)

3. Social structure

The Japanese conception of society is based on hierarchy, paternalism, integration of the individual in the social structure and on loyalty to superiors.

The family rather than the individual was the basic unit, and has remained this to a considerable extent at the present time. The distinguishing feature of the Japanese family-system is the importance of the House as contrasted with an undetermined group of bloodrelations, referred to as a family. The House has been described as "a legal entity originally founded upon ancestorworship" and consists of the head of the house and of members who are subject to his authority. The House is in fact a name-group and not a group related by blood, as it may include persons, both male and female, who are no bloodrelations of the head of the House and who may enter the House with his consent. 2)

Each household is a distinct economic unit, operating as such in production, in consumption and, in fact, in ownership of land and chattels. 3)

Emphasis is placed on the welfare of the household as a whole and not on the welfare of the individual who is completely integrated in the community, bound by a highly complicated set of obligations.

Gibney compares the Japanese society with a web. "The web binds the individual in all directions - upwards to parents, ancestors, superior officers, downwards to children, employees and servants. Classically, it has only been by achieving equilibrium inside this web that the Japanese finds peace". 4)

In other words, the individual in the Japanese society has no read existence outside of the group.

Families associate and work with other families, creating informal groups, which tend to be hierarchical in structure and are characterized by face-to-face relationship and a strong sense of loyalty among its members. The influence of these groups on the individual is particularly strong in rural areas, but even in the cities there exist these groups of kin and non-kin, which provide its members with a sense of security, attained through mutual aid. 5)

This group consciousness of the Japanese has given him many centuries of experience with forms of group discussion and action. Agreement among the members of the group rather than mute acceptance of the leader's authority has been the traditional procedure. This procedure, originating in the family council, was followed in the administration of group and village affairs. The socially approved way to reach solutions to quarrels is mediation and compromise with the help of local elders and other leaders, according to the principle of social harmony which is another interesting feature of the Japanese ideology. Many problems are handled by this form of "informal government" at the local level and are not brought before the formal institutions. 6)

) ''Japan'', p. 157.

¹⁾ Sansom, op. cit. p. 446, Compare Quigly and Turner, who wrote that "the Japanese overstress duty, as the Western people rights". (p. 13).

Ibid, p. 448.
 "Village Japan", by Richard K. Beardsley, John W. Hall and Robert E. Ward, University of Chicago Press (1959), p. 217.

^{4) &}quot;Five Gentlemen of Japan", by Frank Gibney, 1953, p. 17.

"Informal government" in Japan is paternalistic rather than democratic, but it preserves some degree of respect for the local group. This co-operative spirit, supported by group life, particularly in rural communities, is considered by Quigley and Turner as an inheritance conducive to the development of democracy. 1)

Another consequence of the preference of social harmony is the avoidance of a majority rule in arriving at group decisions. 2) Although rules of procedure similar to those of western countries are now almost universally adopted, and among others, majority decisions are accepted as a rule, in matters of importance every effort is made to preserve unanimity, or at least the appearance of unanimity, a feature of Japanese democracy which is apparent at all levels.

One result of this emphasis on unanimity is the avoidance of clear statements of opinion, until the "feel" of the meeting is obtained. Secondly, it implies that in sensitive issues agreement takes a great deal of time. The procedure also has the effect that principles of abstract justice, procedural correctness and the rules of fair play are often subordinated to the desire to reach unanimity. 3)

The hierarchical Japanese society may be compared to a pyramid with the Emperor at the top and the family at the bottom. The Emperor is the Supreme Father of the whole Japanese family and he is the source of all power in the nation.

The Japanese conception of sovereignty is therefore certainly not one of monarchial absolutism. "It is paternalistic, contemplating the ruler as the benign father of the national family. Its members are not entitled to rebel, neither is he to oppress them. While far from the democratic doctrine of popular sovereignty, it allows for the development of democracy through the conviction of the Emperor that democracy is desired by his people or that he should take the initiative in guiding them to appreciate and practise it". 4)

The principle of hierarchical relations, modelled on the father-son relationship is upheld in family relations as well as in the society as a whole

In Japanese society interpersonel relationships are much more personalized than they are in the western countries. The binding element of many organizations is, therefore, personal loyalty rather than common objectives, interests and principles. 5)

4. Local government

Japan's more or less modern local administrative system dates back to the middle of the Meiji Era. Around that time cities, towns, villages and prefectures began to take on the character of lower organs of the state. This pre-war system was marked by a strong tendency towards centralization.

The two-tiered structure of local government which developed during the twentieth century out of the original three-tiered system of the Meiji period

was retained through the post-war reforms.

While in the Meiji Constitution no regulations existed for local government, the Japanese Constitution which was put into effect in 1947, contains a chapter devoted exclusively to this subject. Article 92 of the new Constitution provides that regulations concerning organization and operations of local authorities shall be fixed by law in accordance with the principle of

2) "Japan", p. 207.

4) "The New Japan," p. 7.

5) ''Japan'', p. 158.

^{1) &}quot;The New Japan, Government and Politics" by Harold S. Quigley and John T. E. Türner, University of Minnesota Press, (1956), p. 13.

³⁾ R. P. Dore, "Land Reform in Japan", Oxford University Press (1959), p. 344.

local autonomy. Article 93 provides that the local authorities shall establish assemblies as their deliberative organs in accordance with the law; moreover, that the chief executive officer of all local authorities, the members of their assemblies and such other local officials as may be determined by the law shall be elected by direct popular vote within their communities. Furthermore, article 94 provides that local authorities shall have the right to manage their property, affairs and administration and to enact their own regulations according to the law. Finally, article 95 provides that a special law, applicable only to one local authority, cannot be enacted by the Diet without the consent of the majority of the voters of the local authority concerned, obtained in accordance with the law.

Under these principles the Local Autonomy Law - enacted in 1947 and amended 58 times in twelve years until May 1959 - prescribes generally the organization and functions of local authorities in Japan. Some of the main points are:

- 1. Responsibility for the management of local authorities belongs to the local residents. Formerly, the central government was the authority to decide finally on many important affairs of local bodies.
- 2. The presidential form was adopted. Formerly, the governor of a prefecture was appointed by, and was as such an official of, the central government, while the mayors of the cities, towns and villages 1) were elected by their assemblies. Now, all governors, mayors and councillors are elected directly by popular vote.

3. A direct system of democracy was adopted. Referendum, initiative and recall were prescribed for the local authorities for the first time after the end of the war. This system is not recognized for the national government.

4. A system of administrative boards was introduced. Formerly, the executive duties of local authorities were delegated solely to a governor or mayor. After the war, besides those officials, several commissions were set up to invest them with executive as well as quasi-judicial, quasi-legislative powers.

5. A system of standing committees was introduced for the assemblies. As members of Japan's local assemblies are large in number, it was deemed desirable that standing committees in each field examine and deliberate affairs of the councils beforehand.

Other major laws concerning local government are the Local Public Finance Law (1948), Local Public Service Personnel Law (1950), Local Taxation Law (1950), Public Office Election Law (1950), Local Allocation Tax Law (1959), and Local Public Operated Enterprise Law (1952).

The new structure of Japan's local administrative system was attended with a change in the character of the central government's services to local authorities. These were no longer mainly supervisory - that is to say to keep them within the limits of the law - but also intended to foster the development of self-government of the local authorities and to educate them towards rendering social services to improve the general welfare of the people. Since Japan adopted the principles of a welfare state and as the administration of the local authorities is closely related to the welfare of the people as a whole, standards and models have been established in order to standardize the quality of the local administration and enable them to satisfy at least the minimum national standard of welfare. The central government

¹⁾ The heads of cities, towns and villages are indicated in Japanese by the word "tjo", which means "chief". The English equivalent "mayor" is principally used for cities and, in some measure, for towns. With regard to villages one speaks of headman. For the purposes of this study the word "mayor" will be used for cities, towns as well as for villages.

therefore extends active assistance and guidance to local authorities in order that these may come up to this level and may contribute to the fulfilment of the different tasks of the government.

5. Structure of local government

While the Constitution does not provide for the type of local authorities in concrete terms, the Local Autonomy Law classifies local authorities into

two types - ordinary and special.

Ordinary local authorities constitute the basic units of local autonomy and have the same structure and legal status. This makes it possible for the Local Autonomy Law to deal with them under the same titles and subtitles. They vary, however, in powers, in size, designations and number of component organs.

Special local authorities are established in special areas or for special

purposes.

The ordinary local authorities are divided into: the metropolis of Tokyo ("to"), the district Hokkaido ("do") 1), prefectures ("fu" or "ken") 2) - hereinafter uniformly referred to as prefectures -; cities, towns and villages. 3)

The metropolis of Tokyo differs substantially from any other prefecture in that it combines the powers of a prefecture and those of a big city. It was created under the Metropolitan Organization Law of 1943, by consolidating the city of Tokyo with the Tokyo prefecture.

The 47 prefectures of which one, Okinawa, is still under U.S. occupation, are extensive local authorities embracing cities, towns and villages. Abolition, establishment and alternation of borders of prefectures are carried out

in accordance with special laws.

The prefecture containing cities, towns and villages in its territorial domain, and lying midway between the state and these bodies administratively, is in nature a local agency of the state and accordingly actually supervises and directs the cities, towns and villages.

Cities, towns and villages are the primary autonomous organizations and have the closest bearing on the public. There is no institutional difference

among these three kinds of local authorities.

In order to become a city local bodies must have a population of over 50,000. Over 60% of the total number of households must be concentrated in the central part of the area. Also over 60% of the total population must be engaged in commerce and industry. The number of "urban institutions" such as educational institutions, government offices and other establishments in the area must be large enough to satisfy conditions as laid down under prefectural regulations.

A city with a population of over 500,000 can be designated by cabinet order as a "designated city". At present Osaka, Kyoto, Nagoya, Yokohama and Kobe are designated cities. The system of "designated cities" was initiated as a substitute for an abolished system of "special cities". Special

2) The difference between "fu" (urban prefectures) and "ken" (rural pre-

fectures) has only a historical meaning.

¹⁾ Derrivation of the term "do" is mainly historical. The status of "do" is the same as that of a prefecture. Some of the characteristics of "do," are that the "do" is larger than an ordinary prefecture in size and that it is far more concerned with the development of underdeveloped areas.

³⁾ The county, known as <u>gun</u>, intermediate between towns and villages, on the one hand, and prefectures on the other, was strapped of its legal personality in 1923. The gun is now only recognized for administrative purposes and is mainly employed in all prefectures as an electorial district. Through local branch offices, established in every gun, the governor sends information and directives to towns and villages.

cities were intended to exist legally outside any prefecture and to be exempted from prefectural control and taxation. Prefectures were strongly opposed to the system of special cities, since the prefectures depend upon their wealth as a major source of tax revenue. So the special city system failed to be realized and by way of a compromise the system of designated cities was introduced. The designated city is included in the prefecture and stands on the same level as other cities. However, the scope of administrative authority of the designated city is much broader since 16 items which belong to the duties of the prefecture, including public welfare, public health, city planning and housing are transferred to the designated city.

Prefectural by-laws determine the circumstances in which a village may

ascend to the rank of a town.

There is no legal stipulation regarding the qualifications of villages. Abolition, establishment, division and alternation of borders of cities, towns and villages are to be proposed by the respective local bodies and determined by the prefectural governors with the approval of the prefectural assemblies concerned. As for the abolition and establishment of cities, the governors must consult with the prime minister beforehand.

Special wards, associations of local authorities and property wards fall

within the legal category of special local public bodies.

The system of special wards is exclusive to the Tokyo metropolis. The central part of the metropolis consists of 23 special wards instead of cities, towns and villages. The whole area of these special wards is that of the former city of Tokyo. The power of the special wards has been limited to those functions specified in the law and to those which the Tokyo metropolis entrusts to them. Actually, functions which are in close relation with the well-being of the inhabitants such as health and hygiene and social welfare are performed by field branch offices of the Tokyo metropolitan government, leaving to the special wards functions as construction and maintenance of school buildings and facilities of primary and secondary high schools. A ward council is composed of elected members whose term of office is four years. Each head of the wards is selected by the ward council with the consent of the governor.

Associations of local authorities consist of partial and whole affairs associations and can be organized in order to jointly execute a part or whole of the local authorities' affairs.

The institution of whole affairs associations was set up for the benefit of weak and small towns and villages. The towns and villages concerned could take the initiative, make an agreement and get the prefectural governor's approval for its establishment. Upon its establishment, legislative and executive bodies of the towns and villages concerned are merged into one. Since the amalgamation of towns and villages was accelerated throughout the country in accordance with the Law for the Promotion of Amalgamation of Towns and Villages, from October 1953, there has been hardly any necessity for this institution. It is therefore not practised any longer.

The partial affairs association can be established jointly by prefectures and other local authorities or jointly by cities, towns and villages. When prefectural governments are included, the establishment of these associations is subject to the approval of the prime minister. In other cases the approval of the governor is required. In general, the local authorities take the initiative, but in special cases the governor may take the lead to force its establishment for the sake of public interests. The partial affairs association has a legislative organ (assembly) and an executive organ. Election of members of the assembly and the appointment of an executive organ are subject to special regulations. Some examples of these associations are the Management Association of the Port of Nagoya (jointly established by Aichi prefecture and the city of Nagoya) and the Water Supply Association of Nor-

thern Kyushi (jointly established by Fukuoka prefecture and four cities. However, this institution is not widely put into practice.

To assist the local authorities in co-ordinating their activities with other local units the central government holds conferences, mediates in disputes, promotes interchange of personnel, etc. It also holds regularly meetings of gubernatorial and department heads to provide opportunities for local gov-

ernment leaders to exchange information and experience.

The last mentioned special local public body, the property ward, is a part of a city, town or village which was originally a town or village before being amalgamated with other towns and/or villages. Its function is limited to manage or dispose of its own properties or establishments. These may be forests, hotsprings, shrines and meeting halls, etc., which belonged to it before the amalgamation took place or for other historical reasons. It has its own council or ward meeting.

6. Local executives

The chief executive of a prefecture is the governor, of a municipality (city, town or village) the mayor. The chief executives are popularly elected. To be eligible for the governorship a person of either sex must be a Japanese national aged thirty or more; for the mayoralty the age is twenty-five or over. A chief executive may not concurrently be a member of the Diet or of a local assembly. His post is salaried, as are those of his subordinates. His term of office is four years.

As assistants, these officials may have, with the consent of prefectural, city, town and village assemblies, respectively assistant governors, chief accountants (prefectures) and assistant mayors and treasurers (cities, towns

and villages). Their term of office is also four years.

The specific functions of the chief executives of the different local authorities are numerous. They are the ceremonial head of the local authority. They appoint, remove and supervise the principal officials of the locality. They are responsible for preparation of the local budget, for the collection of taxes and fees, for the payment and audit of appropriations, and for the management of property. They draft and present to the assembly all ordinances. Their legislative instrument is the regulation, which they issue without reference to the assembly. They may prescribe administrative fines for violation of regulations.

The chief executive is empowered also to exercise the powers of an assembly in emergencies which call for prompt action. He may do so, furthermore, if an assembly fails to convene or take action which the chief executive believes to be necessary and after having enabled the assembly to reconsider the situation, he may expend money for such authorized purposes or in emergencies, despite an assembly decision to strike out or reduce budgetary items for such expenditures. If the assembly persists in its opposition, the chief executive may dissolve the assembly unless he resigns, considering the op-

position as a token of non-confidence.

In addition to these functions the chief executive carries out functions which are assigned to him by the national government and, so far cities, towns and villages are concerned, also by the prefectural government by way of the so-called "agency delegation".

Particularly the governors and the mayors of the cities have important political and social responsibilities and are increasingly influenced by the

political parties.

A chief executive may be requested to resign by the passage of a nonconfidence resolution in the relevant prefectural or municipal assembly. The resolution requires a three-fourth quorum to pass. If the chief executive exercises his option of dissolving the assembly and calling for an election, the newly elected assembly may unseat him by a second non-confidence vote. which requires only a simple majority of a two-third quorum. Another procedure is that of recall, inaugurated by petition of one-third of the electorate and completed by vote of a majority in a recall election.

However, an impasse between the chief executive and the assembly is often solved by less drastic means than those provided by the law. In many cases either the chief executive or the entire assembly resigns, and thus assumes responsibility for a situation which is generally considered as a regrettable disruption of the harmony. 1)

Besides the governor and mayor there are the following executive organs

to handle special functions of the local authorities:

1. those established in ordinary local public bodies, i.e. board of education, election management commission, personnel commission or equity commission. An equity commission is a personnel commission with limited functions for cities and towns with a population of under 150,000 and for villages;

2. those established exclusively in prefectures, i.e. public safety (police) commission, local labour commission, requisiting commission, maritime fishery co-ordinating commission, inland water fishery control commission and two till four inspection (audit) commissioners. Inspection commissioners can also be appointed for cities, towns and villages under the provisions of by-laws;

3. those established exclusively in cities, towns and villages, i.e. agricultural commission and real estate evaluation commission.

These administrative commissions or boards have to carry on specific functions and have their own responsibility. However, they are principally not empowered to adjust the budget, to propose bills, to direct income and expenditures or to levy and collect taxes. The members of these commissions are elected by the assembly (election control commission), are appointed by the chief of the local authority with the consent of the assembly (public safety commission and board of education) or partly elected by farmers' votes, party appointed by the chief of the local authority (agricultural commission). From the inspection commissioners one half is elected by and from the assembly, whilst the other is appointed by the governor or mayor from outside the assembly from among persons with special knowledge and experience.

7. Local legislature

Prefectures and municipalities (cities, towns and villages) have popularly elected assemblies and assembly-elected chairmen, all of whom serve four-year terms. According to the political practice, however, chairmen serve only one or two years. Assemblies vary in size with the population of the locality. For the Tokyo metropolis and other prefectures they run from 40 to 120 members; for the municipalities the minimum is 12 (for villages), the maximum is 100.

Municipalities are divided into election districts which correspond to its administrative wards. Each district elects a number of members to the municipal assembly in proportion to its respective population.

Four ordinary sessions are held a year, each session lasting 7 days or more. Besides ordinary or extraordinary sessions are convened whenever necessary.

The assemblies possess the power to enact by-laws within the sphere of authority of the localities concerned; they determine the annual budgets,

[&]quot;The Japanese Village and its Government" by Kurt Steiner in the Far Eastern Quarterly, Vol. XV, February 1956, p. 189.

levy taxes, fees and rentals on public property, conclude important contracts, acquire or dispose of property, etc.

The governor, or in the case of a municipality, the mayor is present and takes a leading part in the presentation and explanation of practically all items

on the agenda. He does not vote.

Standing and special committees play an important part. As a result of a revision of the Local Autonomy Law in 1956, the law prevents the tendency that the standing committees take the place of the councils or of the chiefs and infringe of their powers. Members may introduce bills for by-laws on any subject except finance. Action upon bills is taken by resolutions, as a rule, passed by a simple majority. Discussion is conducted with galleries open to the public, unless secrecy is voted by two-third of the members present. Members receive salaries.

In operation, assemblies, except those of prefectures and cities, are comparatively weak. This particularly applies to the assemblies of smaller towns and villages. In practice the village assembly does, in any significant sense, very few of the things the law says it is supposed to do. 1) Legally speaking, the assembly's primary responsibility is the enactment of village by-laws. Actually it has little to do with such matters. Most village by-laws are originally drafted as model legislation by the local government section of the general affairs department of the prefectural government by way of technical assistance. Those drafts are then passed on to the village mayors who examine them, make minor adaptations to local circumstances, and then submit them to the assembly for consideration and formal enactment.

Regarding the approval and enactment of the budget, again, the assembly plays a largely passive rôle. Budgets are drawn up at the mayor's office under the supervision of the mayor. This draft budget is submitted to the assembly for approval. The budget is usually presented and explained orally by the mayor, who answers questions and explains the background. Almost

invariably the budget is approved without change.

In general, the assemblies seem to have a subordinate position to the executive which may be even especially true for the smaller municipalities. Their rôle may be summarized by the statement "they discuss and they approve". 2) This does not mean, however, that the assembly's activities are of no use. The assembly serves as a public symbol of community participation in the political process and acts as a means of publicizing and focussing popular attention on items of political interest or importance. This usually takes place through the informal contacts of its individual members with their constituents. Inter-action at this level is an important way of formulating public and legislative opinion within the village, whilst discussion in the assembly serves as a guide to administration. Both mayor and assemblymen recognize that it is the manner in which a law or ordinance is administered rather than its formal contents that really counts. 3)

3. Functions of local authorities

The Local Autonomy Law replaced the extreme centralism and authoritarianism of the pre-war Japanese law with elaborate provisions for a system of local autonomy. Technical authority and responsibility were transferred from the national ministries in Tokyo to the cities, towns and villages, leaving to the national government and the prefectures only those functions held to be supra-local in nature.

According to the Local Autonomy Law the following functions cannot be transferred to local authorities:

3) ''Village Japan'', p. 363/4.

^{1) &}quot;Village Japan", p. 361.

^{2) &}quot;The Japanese Village and its Government", p. 189.

1. matters concerning judicial administration;

2. matters concerning punishment and disciplinary steps to be taken by the national government;

3. matters concerning the national government's transportation and communications:

4. matters concerning postal services;

5. matters concerning government-operated educational and research institutions, government-operated hospitals and other health institutions, government-operated navigational, meteorological and hydrographical establishments and government-operated museums and libraries.

As the law stipulates it, local authorities are empowered to administer their own public affairs, moreover, affairs assigned to them in accordance with the law and finally other administrative matters which do not belong to the national government.

It is questionable whether the functions assigned to the local authorities under the different laws and ordinances must be considered as "entity delegation" as contra-distinguished from assignment of national functions to the governor or mayor by way of the so-called "agency delegation". 1) From a Japanese point of view these functions may be considered as autonomous functions of the local authorities. However, while the local authorities are at liberty to administer their own public affairs, they are under an obligation to execute the functions which are assigned to them by the national government. According to this opinion the autonomous functions of Japanese local authorities consist of voluntary autonomous functions and of compulsory autonomous functions. It cannot be denied, however, that under this system the first priority is not given to work which the people themselves consider important to their own well-being, which is not stimulating local government. It gives rise to a dual character of the local authorities. On the one hand, the local authority is an autonomous body with functions of its own. On the other hand, it is more or less an organ of the state, carrying out a number of functions, assigned to it by the national government.

The Local Autonomy Law specifies the functions which may be assigned to prefectures, or to cities specifically, and those assignable in general to cities, towns and villages. They differ from local authority to local authority. The functions which are assigned to prefectures are in general those regarding planning, adjustment, guidance and big scale facilities, while functions assigned to cities, towns and villages have direct connection with the citizens. The number of assigned functions seems to be very numerous. Especially the smaller towns and villages are therefore practically allowed little oppor-

tunity to carry out their voluntary autonomous functions.

By "other administrative matters which do not belong to the national government" are meant affairs, not especially regulated by law, but which local authorities can control by their own regulations and rules for the purpose of maintaining the well-being of the inhabitants, i.e. air and water pollution control, noise control, etc.

As intermediate between the national government and the cities, towns and villages the prefectural government handles:

1. extensive administrative affairs exceeding city, town and village borders, such as comprehensive economic development programmes, the construction and maintenance of roads and rivers which concern the prefecture in general, etc.;

2. affairs, which must be executed uniformly on the basis of national standards such as compulsory education and the administration of

cultural assets;

^{1) &}quot;The Japanese Village and its Governments", p. 188.

3. affairs concerning the co-ordination and adjustment among cities, towns and villages and between the state on the one hand and the cities, towns and villages on the other;

4. affairs, which are considered as unsuitable for cities, towns and

villages to handle such as research institutions.

Prefectural governments have drafted comprehensive economic development programmes in accordance with the Composite Land Development Law. These projects include conservancy plans, electric power resource development, exploitation of forestry, maritime and other resources, industrial land planning, construction of high ways, canals and other public facilities, reclamation and other large scale land projects and construction of educational and social welfare establishments.

Cities, towns and villages handle a wide range of affairs which directly concern the daily life of the inhabitants such as the preservation of health and welfare of the inhabitants; the construction and maintenance of roads, bridges, canals and irrigation systems, the establishment and management of public utilities, plants, schools, hospitals, etc. The central government plans and drafts fire protection services for the local authorities and provides assistance and guidance for the training of local fire fighters and carrying out experiments and research on fire fighting methods. The city of Osaka, for instance, has an extensive fire fighting service, its own municipal harbour, its own subway, street cars and (trolley) buses, while the university is the oldest municipal educational institution of university grade in Japan. The municipal education board controls and supervises municipal kindergartens, primary, junior and senior high school education. Of these schools primary (six years) and junior high school (three years) education is compulsory. Half of the expenses for compulsory education as well as the salaries of teachers in these schools, are defrayed by the central govern-

Osaka has a quite modern water supply system, wholesale and retail markets, municipal apartment houses, an old people's home, a botanical and zoological garden, etc.

In this field of <u>socio-economic development</u> the central government ordinarily assists the local authorities in the planning of various projects by first deciding the basic policy and then letting the local authorities draft their own plans and implement them. However, there are many cases in which the central government extends technical assistance to the local bodies with the latter's drafting of their plans, which sometimes need government's approval.

Cities, towns and villages receive assistance not only from the central

government but from the prefectures as well.

The post-war constitution and legislation narrowed the scope of prefectural powers, widened that of the other local governments and expanded the electoral system in the localities. The localities remain, however, from the metropolis to the villages, creatures of the national government. Their powers are mostly delegated and enumerated, and are exercised only if laws or cabinet orders have not been issued within the delegated field.

Municipalities are further limited by the concurrent legislative powers of the prefecture. No constitutional or legal delimitation assures any of the local public bodies a specified field of independent authority. Nevertheless the legislative provisions seek to distribute the functions of government in a manner that will combine effective administration with popular participation at all levels. However, the law failed to indicate boundary lines between the spheres of the several units of local government.

In 1949, the Diet provided for a "Local Administration Investigation Committee", the so-called Kambe Committee, attached to the Prime Minister's office, in order to solve the problem of the proper distribution of functions among the localities. The committee favoured centralization. Its statement carries an inference that municipal governments are likely to be less efficient

than the prefectural, thus leaving the way open to the extension of prefectural control over matters by nature municipal. The basic law operates similarly, since it provides that "the metropolis, district or urban or rural prefecture may enact necessary provisions in its by-laws relating to the administrative affairs of the city, town or village unless otherwise provided for in laws or in ordinances duly authorized by law".

The committee offered detailed recommendations upon the distribution of functions relating to education, welfare, sanitation, labour, agriculture, commerce and industry, transportation, public works and other matters. In many instances it favoured a division of functions among state, prefecture and municipality in dealing with a single matter, in other co-operative action and in still others restriction to a single authority. While the municipalities were to be allotted a considerable share of responsibility, they were not to be left free of prefectural supervision or interference.

As a result of a revision effected in the Local Autonomy Law in 1956, the prefectures have come to assume a strong national character. Control by the central government of the local organizations has been strengthened correspondingly.

The above mentioned Kambe Committee was abolished in 1952, after having submitted its reports to the government and the Diet. Till now the recommendations made by the commission were rather unsuccessful.

As some of the post-war reforms proved unsuitable to Japan in the light of prevailing conditions, another committee, the Local System Research Committee, was established in 1952, the year when the Peace Treaty went into effect. This committee, which still exists and of which the members are annually appointed, has to study ways and means to make local administration more efficient. The trend of centralization during recent years is mainly based on the committee's recommendation. In accordance with the committee's recommendations, the government carried out some reforms, including the police and educational systems.

Before World War II police and educational administration belonged exclusively to the national government. Post-war legislation sought to limit the national authority over police, and, as in the field of education, to bring the people into closer association with police administration. Under the new police system, instituted in post-war Japan, municipal police were organized in the urban areas and national local police in the rural areas. As this system gave rise to many troubles - too expensive for the villages and small towns, the difficulty to obtain qualified men, etc. - in 1954 these two different police forces were united into a prefectural police and centralized to some extent as regards personnel administration. Thus the municipal forces were abolished, but something of the principle of decentralization was salvaged through the continuance of prefectural public safety commissions, which had functioned as national agencies, participating in administration of the national rural police. These are now under the supervision of a National Public Safety Commission, headed by a minister without portfolio. Both the national and the prefectural commissions are composed of private citizens of learning and experience. The prefectural governor is the authority who appoints and dismisses the members of the prefectural Public Safety Commission with the consent of the Assembly. He also submits bills to the prefectural assembly on police regulations and the necessary budget proposals. However, he has no power to command and supervise the Public Safety Commission. The chief of the prefectural police is solely under the jurisdiction of the Public Safety Commission. Within the national government there is also a national Police Agency, which controls operational standards throughout the prefectures.

The Education Board, also a creation of the post-war legislation, first started as an elective body, and all members of the board were elected by popular vote. But in 1956, the Board became appointive, and all members of the Board are now being appointed by governors or mayors with the con-

9. Amalgamation of local authorities

The most striking event in Japan's local government in recent years has been the amalgamation of small towns and villages throughout the country.

Programmes for the amalgamation of units of local government are not new in Japan. Between 1874 and 1886 some 7,300 villages were wiped out and an additional 55,000 in the course of the two year period from 1888 to 1889. Throughout the country the national and prefectural governments have been urging villages and towns to amalgamate into larger units. The legal authority for this goes back to the Local Autonomy Act of 1947 and the Law for Expediting the Amalgamation of Towns and Villages of 1953.1) The latter which was valid for only three years, set forth specific procedures to be followed and anticipated the establishment of new towns and villages having populations of at least 8,000 and areas of not less than 30 square kilometres. Amalgamation of towns and villages into a new town or village requires only the consent of the assemblies concerned plus a perfunctory approval of the prefectural government.

The needs of the average rural town and village, whose area and population have been substantially unchanged since 1889 in most cases, have outgrown their fiscal capacity, especially since many expensive functions are given to local government in line with the post-war national policy of making Japan a welfare state. Where available tax and revenue bases are inadequate, amalgamation seems a reasonable and desirable solution. A similar argument is advanced in the administrative field: amalgamation will permit reductions in staff and improvements in efficiency. These arguments do not do away with the fact, however, that amalgamation may lead up to the disruption of long-established political and social affiliations. In "Village Japan" a table shows how far this process has gone in Okayama Prefecture: the number of cities and towns has increased from 4 and 56 in 1936, to 12 and 69 in 1956, whilst the number of villages has decreased from 319 in 1936, to 24 in 1956 (p. 396). Since 1953, the 9,582 towns and villages in Japan were reduced to about 3000 in 1959.

Change in Number of Cities, Towns and Villages. 2)

Manual Manual States		Sept. 30, 1953	Sept. 30, 1956	Oct. 1, 1957	Oct. 1, 1958	Jan. 1, 1959	May 1, 1959	Dec. 1, 1959	June 1, 1960
	Cities	285	498	501	529	544	551	555	555
	Towns	1,970	1,904	1,920	1,901	1,901	1,897	1,900	1,923
Bay	Villages	7,640	1,571	1,365	1,232	1,196	1,124	1,088	1,048
-	Total	9,895	3,973	3,786	3,662	3,641	3,572	3,543	3,526

The steady decrease in the number of villages matched by a corresponding increase in the number of towns and cities will illustrate the pace at which village amalgamations have proceeded.

This process of amalgamation particularly affected village government. Originally the buraku was in both social and legal senses the elementary community of rural Japan. During gradual processes of growth, and combi-

2) Local Government in Japan, June 1960, a publication of the National As-

sociation of Japanese Towns and Villages, Part II, p. 10.

¹⁾ The New City, Town and Village Construction Expediting Law was legislated in 1956 for the construction of cities, towns and villages newly merged. The construction project is to be completed within a period of five years from 1956.

nation the buraku became more and more a subdivision of a larger unit, the mura, the new type of village. The buraku, although continuing as the elemental social unit of rural Japan above the household level, moved progressively further and further from its original status as the elemental legal unit for rural Japan and became, after 1889, an extra-legal sub-unit of the basic unit of rural government, the modern village (mura). 1)

While the old village was both a unit of government and an association for co-operative living, the mass amalgamations, especially since 1888, split the governmental and social functions, locating the former in the new villages, while the old communities (buraku) remained to a large extent centres of identification and loyalty and retained a feeling of exclusiveness toward neighbouring settlements even with the same administrative unit. 2)

Different from the village, the inhabitants of the buraku have constant and face-to-face social interaction; its government is largely unofficial, and the borders of its lands are only hazily defined, but it is a clearly defined social community.

The organizational pattern of buraku varies considerably from place to place in terms of officials, the manner of their election, frequency of assembly meetings and so forth.

In the opinion of the occupation authorities buraku meetings also had served as a dangerous intelligence system and a tyrannical means of control over the activities of individual citizens and were made illegal from 1947 till the general revision of the so-called Potsdam Ordinance in 1952. However, this five-year interdiction of buraku meetings had little effect on actual practice in rural Japan. They continued to exist and to perform a variety of collective functions. Such a pattern of association was found too useful and convenient by both buraku inhabitants and local government officials to be readily displaced. And so the buraku is still alive, playing its important rôle in rural Japan.

As a result of the amalgamation of smaller towns and villages the size of the prefectural area naturally became an important issue. While the number of towns and villages was reduced and their powers proportionately increased, the fixed areas of prefectures became more and more out of date. Owing to social, economic and cultural development and the rapid increases of traffic and communication facilities, the administrative areas of the prefectures which were set up more than 60 years ago, became unbalanced in administrative and financial resources. So reorganization of prefectural areas was deemed necessary. Thus the Local System Research Committee recommended to abolish the existing prefectural area system and to divide the whole country into 7 - 9 regions or provinces and to give these regions some character of a local authority and an agent of the central government. However, it is not certain whether these recommendations will be legislated in the near future.

Units and number of local authorities (June 1, 1960):

Ordinary local authorities	"To" (metropolis) "Do" (district) "Fu" (prefectures) "Ken" (prefectures) Cities Towns Villages	1 1 2 42 555 1,923 1,048
Special local authorities	Special wards Associations of local authorities Property areas	23 1,625 (October 1,1956) 3,418 (December 31,1957).

^{1) &}quot;Village Japan", p. 349/350.

10. Rural development 1)

Government projects for rural development first started in Japan during the middle of the Meiji Era when capitalism was about to take firm roots in the country. The projects were carried out in order that agriculture might develop parallel with the growth of the nation's commerce and industry.

After World War II the government drafted and implemented two major rural development plans, in which the Ministries of Autonomy and of Agri-

culture and Forestry are especially engaged.

Based on the wide-scale amalgamation plan for towns and villages initiated in 1953, the Ministry of Autonomy is extending its efforts in developing the newly created towns and villages. This plan for the construction of new villages, created by the amalgamation of small villages into stronger local units, places main emphasis on consolidating the villages as new local authorities by carrying out various types of land improvement projects, construction and repair of roads, bridges and other public works and the adjustments of various types of public establishments.

The second plan, based on the development plan of rural districts and initiated in 1956, has no relation with local government units as such but places main emphasis on increasing the production of farming villages by adjusting production facilities, improving farming management and techniques, adjusting production and sales of the products in order to elevate the standard

of living of the people.

To establish an overall national land development plan for the utilization, development and preservation of land as well as the appropriate location of industrial units, the Overall National Land Development Law was promulgated. This plan also places strong emphasis on agriculture, especially from the point of view of appropriate distribution of industries in the country.

The ultimate aims of the above mentioned plans are the improvement of the standard of living of the farmers as well as the strengthening of village autonomy. However, the lines along which these plans work, are different.

Development programmes for farming villages are also incorporated in the government plans for the development of Hokkaido, some other prefectures and off shore islands. Various enterprises by the State, local authorities, co-operatives and associations, which are being carried out, also aim at accelerating the development of farming, forestry and fishing industries. These enterprises include improvement of farming lands, irrigation, adjustment of cultivated lands and the construction of forest roads.

To promote the different above mentioned plans central advisory organs are established in the ministries concerned. The Minister of Autonomy is advised by the so-called new city, town and village construction acceleration deliberative council with a total membership of 25, composed of heads of relevant administrative organs, chief executives of local authorities, assemblymen en men of learning and experience.

Similar but smaller organs exist in the various prefectures, whilst new city, town and village reconstruction committees are established in cities, towns and villages. All projects are forwarded to the Minister of Autonomy for final approval, who may extend subsidies to the principal enforcer of the

new village construction plan.

A central deliberative council for the promotion of the productivity of farming villages has been established within the Ministry of Agriculture and Forestry, as an advisory organ to the minister. This council is composed of 30 members chosen from government officials and men of learning. Similar bodies have been established in the various prefectures.

¹⁾ See the National Report on Government Administration of Rural Development, prepared by the Ministry of Autonomy for the EROPA conference in Manila, Philippines, December 1960.

Apart from these organs, the prefectural governor, advisory groups and special assistants are working in the same field. Farming village promotion committees, composed of the village head, representatives of agricultural organizations and youth and women's groups exist all over the country. The various projects under the plan are actually carried out by the towns and villages, agricultural co-operatives and youth and women's organizations. Here it is the Minister of Agriculture and Forestry who extends the necessary subsidies.

Overall national land development projects are drafted by the Prime Minister after hearing the recommendations of the overall national land development deliberative council established within his office and composed of 45 members, chosen from among Diet members, men of learning and experience, government officials, chief executives of local authorities, etc. Prefectures may have overall development deliberative councils as research organs for the drafting and implementation of overall development plans. These plans must be drafted in line with the government plan and must be submitted to the Prime Minister.

What the government expects from the above mentioned plans is the increase in productivity of farming communities to keep pace with that of commerce and industry and, moreover, the strengthening of the villages as local autonomous bodies. The farmers who had hitherto been restricted to a small area will be able to expand into larger areas and engage in wider activities in the newly formed villages. As a result, it is hoped, the villagers will be more conscious of their village and will voluntarily engage in the activities of their local authority. Such consciousness is necessary for a healthy development of local government, whilst with the improvement of farming productivity, the village will become a stronger local government body.

11. The special department for local government

Before World War II local government was controlled by the Ministry of Home Affairs. As one of the occupation-sponsored reforms this ministry with its almost unlimited powers in regard to local government, was abolished in December 1947. An Autonomy Agency, attached to the Prime Minister's office took the place of the Ministry of Home Affairs as a special department for local government, adapted to Japan's post-war administrative system. Since July 1st, 1960, the Autonomy Agency has been raised to a Ministry of Autonomy. Those who applaud the creation of this new ministry as a symbol of sincere promotion of local government are opposed by those who fear that the Ministry of Autonomy will mean a rebirth of the abolished Ministry of Home Affairs and thus a revival of centralization. (See chart page J-19-).

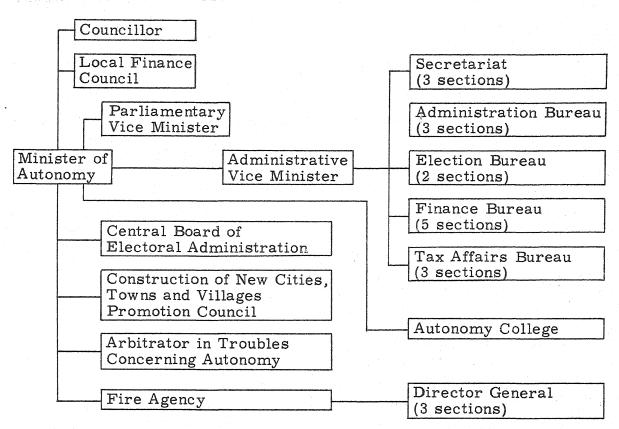
In general the Ministry of Autonomy has to co-ordinate the relationship between central government and local authorities, as well as to co-ordinate and to adjust the mutual relationship among local authorities themselves.

Its special functions are:

- drawing up bills concerning organization, management, finance, taxation, accounts and other matters of local authorities, such as elections of public officers as well as guiding their enforcement, and carrying out research on organization and management problems of local governmental administrations;
- 2. general guidance concerning the affairs of local authorities, giving advice, calling for reports, making inquiries, etc.;
- 3. approval of issuing bonds, and of by-laws regarding extra-legal ordinary taxes, after consultation of the Ministry of Finance;
- 4. training of local government personnel at the request of the chief executives and other appointing organs of local authorities.

Ministry of Autonomy

Organization and staffing:



The Autonomy College, a section of the Ministry of Autonomy, organizes training courses, both theoretical and practical, for local public servants, admitted on the recommendation of the respective local authorities. These courses take three or six months. Specialistic local officials are trained by the other ministries concerned. The central government is also requested by the more remote prefectures to arrange yearly the examination of candidates, intended to enter the prefectural service and to select among them about twenty of the best ones to be sent to the respective prefectures. Superior officials of the Ministry of Autonomy also attend study meetings of local authorities as lecturer on special subjects.

assisting the Prime Minister in regard to matters, concerning public election as well as local administration and finance, which belong to his power according to laws or ordinances, e.g. the alternation of boundaries of local authorities, the "mandamus proceedings", the decision on appeals, etc.

The Ministry of Autonomy also acts as a personnel exchange agency through personnel exchange programmes between the central agency and local authorities in order to place the officials in most appropriate positions. Moreover, this ministry plans and drafts pension and mutual assistance systems for the personnel of local authorities and guides the implementation and operation of these systems.

Actually, the Ministry of Autonomy does not confine itself to these tasks: through its financial policy it essentially controls and directs local government as a consequence of the financial dependence of local authorities on the

national funds.

With regard to other departments of the central government, the Ministry of Autonomy is more or less the advocate for local government and as such it has the following functions:

- to give the necessary explanation to the relevant departments on planning, designing or executing such policies which have a bearing on local autonomy and in general to adjust the control of the national ministries;
- b. to give its opinion to the relevant departments regarding drafts of laws and ordinances which may cause the increase of expenses of local authorities, and thus may influence their budgets;
- c. to assist the Prime Minister in making investigation and to give the necessary indication to each department with regard to orders it intends to issue to the chiefs of local authorities in the matter of delegated subjects.

Legal advice of the central government to local authorities is given in the form of answers to questions presented by the latter either in writing or orally concerning legal matters. General legal problems are explained in directives sent by the central government to the local bodies, as well as at conferences and seminars. To keep them constantly advised the government publishes periodical reports on changes in national laws, regulations and other actions of the judicial agencies.

Budget of the special department:

The budget of Autonomy Agency in the 1960 fiscal year is as follows:

Contribution of local allocation tax and local shared tax	¥	286.5	billion
Reconstruction of the Amami Archipelago		1.3	
Subsidy for the promotion of the construction of new cities, towns and villages		0.8	
Grants to the districts where foreign military installations are situated		1.0	
Other miscellaneous subsidies		1.0	
General management and operation		0.4	
:	otal:	291.0	(A)
Total of the budget of the general account of the central government	1	,569.6	(B)

$$\frac{A}{B} = 19\%$$

12. Other central government departments

Other central government departments which are concerned with local government are the Ministry of Finance, the Ministry of Education, the Ministry of Welfare, the Ministry of Labour, the Ministry of Agriculture and Forestry, the Ministry of Construction, the National Fire Department and the National Public Safety Commission, a police agency attached to the Prime Minister's office.

Theoretically, each department is empowered only to give adequate suggestions and recommendations to local authorities and to demand them to submit necessary informations. It may ask the Prime Minister to take the necessary measures in order to get the chief executives of local authorities

to correct illegally or wrongly performed affairs. However, regarding statedelegated matters to the chief executives of local authorities, the situation differs widely.

In respect to the management of such administrative affairs as the chief executive handles in his capacity as an organ of the national government he shall be subject to the direction and supervision of, in the case of a prefecture, the competent minister, or in the case of a city, town or village, the governor of the prefecture concerned and the competent minister.

The governor of a prefecture may, when he considers that a disposition of an administrative office under his supervision contravenes the regulations

or is ultra vires, annul or suspend the disposition.

In accordance with these provisions, the mayor of a city, town or village may annul or suspend a disposition of an administrative office under his supervision.

When the prefectural governor neglects his duty in handling affairs assigned to him, or is found to be violating regulations, or the disposition of the competent minister, the minister concerned will order him to correct the situation in written form. If the governor fails to mend the situation by a given date, the state minister will ask the High Court to take up the matter and demand the governor in question to correct the situation.

Depending upon its verdict, the competent minister can act on behalf of the governor, while the Prime Minister may dismiss him from service (man-

damus proceeding).

When the city, town or village magistrates in their capacity of national agents fail to execute their duties, steps similar in the case of the governors are taken. In this case, the governor exercises the power of direction and may remove them from office.

Governors exercise a considerable authority over the mayors of municipalities within their respective prefectures. While subject to the competent ministers in their operations as organs of the national government, they share with them the directive power over municipal heads as national organs. Their powers of co-ordination are extensive, permitting them to direct and supervise municipalities.

Besides the above provisions of the Local Autonomy Law there are many items in relevant laws and ordinances, in which the national government imposes on the chief executive of local public bodies and other executive organs obligations of obtaining permission and approval, of consulting, of making report and of submitting necessary data, in which the national government is given the competence of ordering to return the grant disbursed, annulling the permission settled, making decision on an appeal and taking other necessary measures.

Approval by the central government is not required to enact, revise or abolish any local by-laws with the exception of the following cases.

- 1. the prefectural governor will have to consult the Prime Minister beforehand when he intends to set up prefectural departments by a by-law beyond the departments prescribed by the law;
- 2. as mentioned previously, local authorities shall obtain the approval of the Ministry of Autonomy beforehand, when they wish to create or transform any extra-legal ordinary tax by their by-laws.

When a prefecture has enacted, revised or abolished its by-laws, a report thereof should be made to the Prime Minister.

Generally speaking, local authorities may appoint and dismiss their own officials. There are, however, a few exceptions:

1. The appointment of the prefectural education superintendent by the education board of the prefecture needs the approval of the minister of education.

- 2. Social welfare commissioners of the prefectures are selected by the minister of welfare on the recommendation of the governors.
- 3. Some of the higher prefectural officials must have the status of national public officials. Among them are police officers who hold a post higher than police superintendent, as well as those officials who are engaged in special affairs, such as concerning health insurance, welfare annuity insurance, employment security, unemployment insurance, highway transportation, etc. Consequently, these officials have to serve two masters which may result in confusion.

The Prime Minister is empowered to order an enquiry. He may order the prefectural governors to inquire into specific matters of cities, towns and villages if he considers it necessary in order to give these local authorities suggestions and recommendations, or to enable the mayors to correct illegally or wrongly performed matters as well as to maintain the appropriate administration of the local authorities.

The other ministers may only order an enquiry with respect to the statedelegated matters to the chiefs and other executive organs of the local authorities. As delegation is frequently practised and seems to be still increasing, each department is virtually exercising a strong influence on local government, often beyond its legal powers.

To a certain extent it is all owing to the universal trend towards increasingly detailed parliamentary regulation of all aspects of life, which affects Japan as much as any other country. 1)

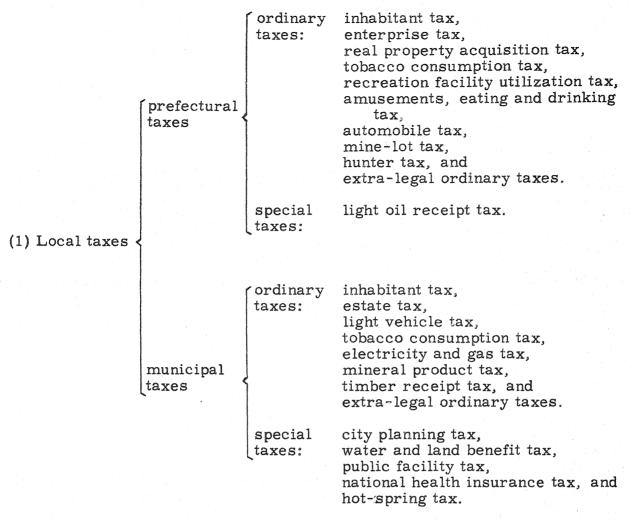
Apart from the above mentioned relations of the different central government departments, in connection with local government, the national government has many local branch offices which are in every sense part of the national government offices. These regional offices in prefectures and municipalities are established whenever the governmental ministries or central administrative commissions or boards deem it necessary for carrying on specific functions on behalf of the national government and as such they have nothing to do with local government.

13. Finance

A description of the local impact of Japanese taxation is complicated by the fact that the entire system was drastically overhauled in 1950, under the occupation, and considerably revised in 1954 after the occupation.

The main kinds of own financial resources of the local authorities under the current system are three, i.e. local taxes, local shared tax and local allocation tax.

¹⁾ cf. R. P. Dore, p. 320.



Besides, local authorities have such other own resources as fees and charges, property and utility revenues, rentals, etc.

(2) The local shared tax is a revision of the prefectural admissions tax and is now collected by the central government. The revenue, however, is mainly distributed among the prefectures in proportion to their population. The local shared tax is therefore still regarded as a kind of local tax. A minor part of the original admissions tax is transformed into the recretation facility tax.

The local shared tax has three elements (parts):

- a. admission shared tax for the prefectures only;
- b. local highway shared tax, for the good of prefectures and the five major cities, according to the length of the highways within their boundaries. It is collected from gasoline consumers;
- c. special tonnage shared tax, in favour of cities, towns and villages, which have harbour facilities. It is collected from ships, entering those harbours, according to their tonnage.
- (3) The local allocation tax is a means of equalizing financial powers of the local authorities, as well as a source of free revenue to assure a minimum standard of administration. The allocations to the local authorities are made by the state out of the revenue of the following national taxes: income tax, corporation tax and liquor tax, at a regular rate, fixed by law, of nearly 30%. In cases of important increase of local expenditures or decrease of local revenues, for instance, by the policy of the central government, the

rate can be raised to secure the necessary amount of local revenues. 1)

The total yield of national taxes far exceeds that from local taxes. Personal income taxes - the national income tax, the local inhabitants tax and the local enterprise tax - are by far the most important taxes upon individuals. From the indirect taxes the amusement and electricity and gas taxes are the major revenue producers.

The tax revisions of 1950, were basic and far reaching. Two primary motives seem to have underlain these changes. The first was to supply Japan with a modern integrated tax system as a sound basis for her future fiscal needs. The second was to provide more adequate and more independent revenues for the local authorities and thus to advance the Occupation's goals

for local autonomy and democratization.

The real property, enterprise and inhabitants taxes had existed in slightly variant forms prior to 1950. But all had been basically prefectural taxes, the rates of which were set at the national and prefectural levels. Cities, towns and villages then simply imposed local surtaxes - usually at identical rates - upon these prefectural imposts, resulting in a most inflexible structure of local revenues. By the 1950 reforms the rates of all these taxes were increased to provide more adequate local revenues. At the same time they were made strictly local taxes in all respects, with some taxes such as the inhabitants tax becoming exclusively city, town and village perquisites, while the enterprise tax was awarded solely to the prefectural government. By the 1954 revision prefectures also got their own prefectural inhabitants tax.

In 1948, the National Health Insurance Law of 1938 was amended to apply to the citizenry in general. This is supported primarily by a special tax se-

parately enacted by each participating municipality.

Autonomous local tax revenues did increase significantly, though vis-avis local needs they remained critically deficient. Municipalities continue to obtain certain grants and subsidies from the prefecture, and they, as well as the prefectures, still receive important national financial aid. 2) On recommendation of a mission of American economists, headed by professor Carl S. Shoup, which made a study of the system of taxation in 1949, the Japanese Government provided by law for annual equalization grants to the prefectures and municipalities. The principle which the law sought to implement was the equalization of the public services in the poorer localities with those in their more wealthy neighbours. These equalization grants were changed by the local allocation tax after the revision of 1954.

According to the present system of disbursements from the national treasury, the local authorities receive subsidies in the following cases:

- if lopal authorities execute affairs which are assigned to them
 or to their organs according to the relevant laws and ordinances
 and for which the national government and the local authorities
 have a mutual interest;
- 2. if local authorities must execute construction works for the sake of the national economy;

2) Grants refer to general purpose grants while subsidies usually refer to

special purpose grants.

¹⁾ For example, in 1958, in order to meet the remarkable increase of debt service in recent years, the rate was raised from 26% to 27.5% to settle the redemption and interest payment of certain local loans. Meanwhile the rate has been raised to 28.5%. Besides, in 1960, in order to cover the decrease of local revenues owing to the reduction of local inhabitant tax which was compelled as a part of the policy of the Liberal Democratic Party it has been decided to allow a special grant equivalent to 0.3% of the mentioned 3 tax revenues for the time being, though it is not considered as a raise of the rate itself.

- 3. if local authorities are afflicted with serious disasters.
- In all these cases the national government bears a part or the whole of the expenses.
- 4. if local authorities are required to execute affairs which are exclusively in the interest of the national government such as election of Diet members, national statistics, etc. In this case the local authorities are fully reimbursed for the costs of their work;
- 5. if the national government deems a subsidy necessary either for the execution of its policies or when the financial position of the local authorities requires central aid. The government is free to decide whether it wants to pay for it or not.

The budget amount of subsidies for the fiscal year 1959 (beginning April 1st, of the year stated and ending March 31st of the year following):

	Classification	Amount of Dis- bursement from I tional Treasury	Va-	Total amount par out by Local Pub Bodies	
		(million yen)	%	(million yen)	%
1.	Shares to the debit of the National Treasury	162,084	46	289,487	49
	Compulsory Education	99,160	28	198, 320	34
	Livelihood Protection	41,178	12	51,787	9
	Child Welfare	7,665	2	9,732	1
	Others	14,081	4	29,648	5
2.	Subsidies for Construction works	116,288	33	198,146	34
	Ordinary Construction works	94,327	27	162,532	28
	Works of Unemployment Relief	21,961	6	35,614	6
3.	Subsidies for Relief of Disasters	37,226	10	49,454	8
4.	Expenses of Affairs Assigned [Election of Diet members]	8,280	2	8,280	2
	National Statistics				
	[Others				
5.	Subsidies for Encourage- ment and Grant of Finan- cial Aid	26,435	8	44,035	7
	Industry, Education Health, Sanitation, etc.				

Most subsidies are partial requiring some further expenditure by the local authority. In accepting them, local authorities tie up part of their own funds leaving themselves no leeway for other unsubsidized expenditure. The result is that the activities of local authorities are effectively directed by the central government's provision of subsidies. It is not astonishing therefore that a recent government report suggests that the system of specialized subsidies is one of the chief causes of the poor financial conditions of local authorities.

Where municipalities receive subsidies from the national government, supervision is given by the prefectural governor as well as by the competent minister, who has the authority to inspect, instruct and direct according to the provisions of the grant. The municipality must also submit to financial inspection of the Board of Audit. Mutatis mutandis the same holds good with prefectures. It is therefore no wonder that the local authorities are demanding a decrease of financial aid of the central government and an increase of their own financial powers.

Notwithstanding the disbursements from the national government, local finance had worsened year after year due to a lot of calamities in addition to the exhaustion of revenue sources and increase of local functions. In 1954, those local authorities which had shown deficits numbered more than 1,700, and the total of deficits amounted to approximately Ψ 65 billion.

Therefore, the central government enacted a Special Measure of Local Finance Rehabilitation Law in 1955 and took powerful measures for the reconstruction of local finance. As a result, 588 local authorities became "finance rehabilitating entities" and started to rehabilitate their finances, by preparing "local finance rehabilitating programmes" with the approval of the directorgeneral of the Autonomy Agency and by issuing special bonds to defray the deficits. Since then the rehabilitation of local finance has advanced satisfactorily.

The proportion of the revenues of local tax, local shared tax and local allocation tax (which has existed from 1940 in slightly variant forms, as "local distribution tax" prior to 1950, and as "local finance equalization grant" between 1950 and 1954), as well as the proportion of the amount of central government subsidies on the total revenues has changed from prewar till now as the following table shows:

T+	1930	1940	1947	1950	1952	1958	1960
Item	%	%	%	%	%	%	(estimated) %
Local Tax	30	21	20	35	37	36	40
Local Shared Tax					<u>***</u>	2	2
Local Alloca- tion Tax		11	20	20	18	15	19
Sub-total	30	32	40	55	55	53	61
Defrayments from National Treasury	10	13	32	20	19	23	26
Local Bond	25	11	14	6	8	4	5
Sub-total	35	24	46	26	27	27	31
Other revenues	35	44	14	19	18	20	8
Total amount of local reve- nues in million Ven	¥ 200.0	¥ 380.0	¥ 100.0	¥ 545.0	¥ 828.5	¥ 1,504.2	¥ 1,538.1

The following table shows to which extent central government grants and subsidies assume a part in the budget of local authorities.

Andrew von aggregate programme errore er		Revenue			
	Item	Total (a)	others	(b)/ (a)	
	Total	million ¥ 1,538,155	million ¥ 401,620	million ¥ 1,136,535	26%
I.	Personal Service of Com- pulsory Education	220,000	107,712	112,288	49
II.	Other Operating Activities	141,121	92,812	48,309	66
f., 1, 4, 4, 4, 4	1. Livelihood Protection	58,146	46,263	11,883	80
	2. Child Welfare	10,783	8,486	2,297	79
	3. Police Equipment	6,208	3,104	3,104	50
	4. Health Center	6,497	2,166	4,331	33
	5. Construction of New Villages	3,127	3,052	75	98
	6. Improvement of Farming	3,404	2,260	1,144	66
	7. Prevention of Tuber-culosis	6,857	3,316	3,541	49
	8. Teaching Material	3,538	1,769	1,769	50
	9. Others	42,561	22,396	20,165	53
III.	Construction Works	280,167	178,108	102,059	64
	1. Ordinary Construction Works	208,989	120,600	88,389	58
	(1) Conservancy Works	43,165	25,668	17,497	59
	(2) Highway	69,407	44,862	24,545	65
	(3) Public Dwellings	20,823	12,186	8,637	59
	(4) Others	75,594	37,884	37,710	50
	2. Relief of Disasters	71,178	57,508	13,670	81
IV.	Works of Unemployment Relief	35,731	22,988	12,743	64

Source:

Local Finance Programme, 1960. (It is the annual estimate of the all revenues and expenditures (except public enterprises) of local governments prepared by Autonomy Agency).

14. Control and approval of local budgets by higher authorities

Generally speaking, Japan has no system, at present, of control and approval of local budgets by higher authorities. However, when a local authority, which has regular deficits, wishes to rehabilitate its financial position with the aid of the state, it should make a "local finance rehabilitation programme" with the approval of the Ministry of Autonomy and prepare its budget in conformity with this programme. Any change in such a programme needs the approval of the said ministry. When it considers that the financial administration is not compatible with the programme, the ministry may ask to suspend the execution of an overestimated part of the budget or to take other necessary measures.

Though it is not exactly supervision of the budget itself, approval of the Ministry of Autonomy is required, as mentioned previously, when a local authority wishes to issue bonds or to create or transform extra-legal ordi-

nary taxes.

For the floating of bonds to acquire the necessary funds to carry out local government projects, an authorization system has been established. Each bond floatation is adjusted with the annual bond floatation plan. The funds for the purchase of such bonds are secured by the Ministry of Autonomy. Particularly in the case of bonds to be subscribed to by the public, the ministry has established a public enterprise financing bank which underwrites such bonds and extends funds at low rate of interest to local authorities.

Special laws are applicable to public enterprises having a certain scope in order that such enterprises can function properly. A special supervising organization is established within the local authority, vested with considerable authority over the management of the enterprises. In regard to accounting a special enterprise accounting system on accrual basis has been established.

15. Audit of the accounts

Audit of the accounts of local authorities is performed by their own auditors, the so-called inspection commissioners, who are independent of the chief executive of the local authorities. There is no general audit by higher authorities. Actually, however, the central Board of Audit may audit the accounts of local authorities to which the state has given grants or other financial aid, while for each grant, the relevant ministry has the right to audit how the grant is used.

It cannot be denied that in respect of its defrayment, the central government exercises a strict supervision and control over the relevant activities and financing of local authorities, which hampers their autonomy.

The future of fiscal decentralization in Japan does not seem very hopeful. It is noteworthy that the prefectures, more than any other unit of government, have paid the price, in terms of revenues under their own control, of the increase in the fiscal self-sufficiency of the cities, towns and villages. It is therefore only natural that they object strongly to this and have long been bringing strong pressure on the central government to rectify it. Their protest reinforce the opposition of the national authorities to any extensive measure of financial decentralization. Given these pressures, the precarious economic situation and, last but not least, the urgent need for effective national planning in the financial and economical sphere particularly, the swing of the pendulum seems inevitable.1)

^{1) &}quot;Village Japan", p. 390.

16. Personnel

As the local public service is closely modelled upon the national system a summary of the organization of the national public service 1) may be needful.

Japan has had a well organized civil service, recruited by examination, since 1887. To construct a modern administrative system, Japan selected in the late 1870s Prussian models with its predominantly legalistic bias. Though many concessions to traditional native practices and values were incorporated into the new administrative system, the dominant tone of the Japanese administration became legalistic. 2)

The prewar civil service had the cordial support of military leaders, to whom it was an ally against parliamentarism. It was highly self-conscious and attained a high degree of power. This was the more so since the individual could not assert a right to legal protection and knew the law only through the judgements of officials. In his mind, the law was secondary to the bureaucracy. And so he accepted that government was the prerogative of a superior class of men. Oligarchy at the top and bureaucracy at the national, prefectural and local levels of administration instilled in the people an acceptance and fear of officialdom. 3)

It is generally agreed that the civil bureaucracy is increasing in actual power as well as in size, and that the increase has been continuous since World War II, so that the number of civil servants today is more than twice that of 1931.

Promulgated in October 1947, the National Public Service Law was in force on the 1st July 1948. Supplementary laws and administrative orders and rules compose a considerable body of legislation.

The new law recognizes two services, i.e. "regular" and "special". The special service comprises high-ranking officers, as members of the cabinet, the National Personnel Authority and the Board of Audit, etc., elected or appointed without examination or the application of alternative criteria of ability. They are not subject to the National Public Service Law. Within prescribed limits the National Personnel Authority may determine to which of these two services a function should belong. Legally recognized positions not included in the special service are ipso facto in the regular service.

The new law is administered by a new agency, the National Personnel Authority, under cabinet jurisdiction. It reports to the cabinet, and to the Diet. It is not within the Prime Minister's office, nor within any cabinet ministry, and is composed of three full-time commissioners, who rank immediately after cabinet ministers. They are appointed by the cabinet with Diet-approval.

A director-general, appointed by the Authority is executive assistant to the Authority. He is also chairman of the National Personnel Council, composed of the personnel directors of the ministries and other appointing organs.

A Civil Service Institute, which started in November 1947, gave training to 2,000 members of the service during the first four years of operation.

The law intended that the Authority, a non-political or neutral organ, should determine and maintain the standards of the "regular" civil service.

As the occupation came to an end, the Authority had nearly completed the difficult task of classification, with the identification of a great number

1) See "The New Japan", p. 212 - 226.

2) "Japanese Administration, A comparative View" by Milton J. Esman in Public Administration Review, 1947, Vol. VII, p. 100 - 101.

^{3) &}quot;The New Japan", p. 10. See also: "Japan's Modern Century" (1955), by High Borton in which he states that throughout Japan's history the men who controlled the government, and the ideas they had, were far more important than the formal structure through which they operated. p. 463.

of occupations, divided into numerous classes, a problem which is not yet fully solved. Assistance had been given to the prefectures and other local governments in the formulation and administration of their civil service systems. To perform special functions, personnel of the national civil service may be loaned to local authorities. During the time of their disposal these officers are fully paid by the relevant local authorities.

Officers and employees in the regular service, unless exempted by law or authority rule, are appointed upon the basis of written examinations, efficiency and other tests of abilities. Normally, an initial appointment is made upon the basis of ability demonstrated in a competitive examination. For high level positions experience and other qualifications also are required. Such appointments may be authorized upon evaluation of abilities alone, without competitive tests. There is no provision for appointments to the regular service without examination or alternative evaluation.

Disqualifications for employment include incompetency, confinement to prison, prior dismissal within two years, or membership in a subversive organization.

Examinations are open to all qualified citizens. They are administered by the National Personnel Authority or by other agencies to which the examination function has been delegated.

An employee may be demoted or dismissed for unsatisfactory performance of duty, incompetence, or lack of fitness for his position. He may be subjected to various forms of disciplinary punishment, from reprimand to dismissal, for illegal or unethical conduct. Although the appointing officer of the person involved will administer removals, demotions and disciplinary actions, the Authority may initiate disciplinary proceedings through launching an investigation.

Written notice, setting forth the reasons for any of these actions, is given to the employee concerned, who may appeal to the Authority for review of the action. He may also request either a private or a public hearing. To conduct the hearing the Authority appoints a "board of equity" of three or five members chosen from among the commissioners and secretaries or including persons from other government agencies or from private life.

No provisions regarding scales of pay, periodic increments in pay, or promotions were included in the basic law. However, it required that supplementary legislation for a system of compensation for employees and, in the event of their death, injury, or illness, for their dependents should be enacted. It provided also that a pension system should be established and that it should be administered by the Authority. Accordingly, in 1948, the Diet enacted a new pay law, amended in 1950; and in 1951 the Authority issued rules embodying standards and procedures for implementing that law in matters of initial salary, promotion, increase of pay within grade, etc. Normal working time was limited to six days, and to a minimum of forty and a maximum of forty-eight hours per week.

The government housing law authorizes official residences, free of rental, for many officers in the special service and for regular service employees whose duties require them to live in a particular locality. Rentable housing also is made available, funds permitting, in areas of shortage or when administrative efficiency demands emergency action.

Rules for employee evaluation were issued in 1951. Measures were taken to reward outstanding merit and to encourage and guide employees whose performance was poor. Inspections were to be made by the Authority's Director-General from time to time.

Moreover, the Authority issued a brief rule to inaugurate implementation of the National Public Service Law's requirement that it establishes programmes to develop efficiency. The employing agencies were requested by the rule to investigate the needs of their employees for training, to plan programmes accordingly.

Officers and employees may belong to political parties and may vote in party elections. But they may not be party officers or advisors or participate in political campaigns or other activities of parties. They are not allowed to hold positions of authority or influence in a business concern. They may be members of employee organizations, and these organizations may "negotiate" with governmental agencies, but they are expressly denied the right of collective bargaining. Personnel of the police, fire services and some other boards, are prohibited from joining employee organizations. All public service members are denied the right to strike and to engage in actions tending to provoke a strike or to impede the operations of government.

Restrained from the methods of unionism, employees and their associations are reduced to the right to "make requests of the Authority that appropriate administrative action be accorded by it or by the head of an employing agency relative to salary, wages or any of the working conditions". Requests must be investigated but need not be acted upon.

Principles upon which compensation for injury and illness, retirement allowances and pensions are to be provided are embodied in the basic law. These comprehend concern for an employee's dependents as well as for the

employee.

A Local Public Service Personnel Law, closely modelled upon the national public service system, was promulgated in 1950.1) The service also has two categories, special and regular. Within the special service are the political officers, whose positions are elective, their confidential secretaries and persons holding temporary or part-time posts, who are not subject to civil service rules. Within the regular service are the administrative officers and employees of all types of locality, also of the boards of education and local police agencies.

A civil service or personnel commission to attend to affairs concerning the appointment of local government employees and operation of the personnel administration, is now established on the prefectural level and for the five major cities. It can be established in a city having a population of over 150,000 by its by-law. The members are appointed by the governor or mayor, with council approval from among persons possessing knowledge and experience concerning personnel administration. In the cities, towns and villages which have no personnel commissions, equity commissions are established.

Personnel commissions perform the normal functions of civil service administration: investigation of all aspects thereof; recommendation of measures of betterment, development of system of classification, training,

conduct of examination, etc.

Appointments and promotions are made from eligibility lists compiled on the basis of ability determined by competitive examinations, records of performance and other evidence. Competitive examination is required unless the relevant personnel commission authorizes selection upon other criteria only. By arrangement with the National Personnel Authority, or other national or local agencies, a local personnel commission may obtain collaboration in the examination or selection process or may delegate the examination power to another agency, Similarly a local commission may list eligibles from among examinees successful in a national or another local competition.

Salaries and other conditions of employment also are set by local bylaws, with due consideration of living costs, and of the compensation received in the national service, other local systems and private enterprise. The actual condition of local public officers' salaries and allowances, according

to a survey, was not always impartial and clear.

Employees are under the same restrictions as national civil servants with regard to political activities within the locality of their service.

¹⁾ See "The New Janan" n 389 - 391

Excellent principles, providing against loss of income in the event of injury, etc. are embodied in the local public service laws. A considerable number of prefectures and municipalities maintain training schools or institutes. In 1952, a Public Service Training Council was established cooperatively by the national prefectural and municipal training institutes, to develop co-operation among in-service training institutions of the local authorities and between these institutes and the Autonomy College of the Ministry of Autonomy. Its purpose is to advance the training of local public officials by:

1. holding of training courses, study meetings, etc.;

 promoting specified study on training (at present "Standard Curriculum for Training" and "Administrative Management");

 collecting and exhibiting of materials and publications concerning training at home and abroad;

4. editing and publishing its own journal "Training in Autonomy", annual reports and other relevant data;

5. liaison and corporation with overseas organizations in the field of training;

6. all other measures regarding research and deemed necessary by the general meeting and the board of directors.

The members of the public service training council are in regular correspondence with the in-service training institutes of the different local authorities and other organizations engaged in local public employees training.

Although it does not occur systematically, personnel is exchanged between central government and local authorities, which leads to a higher standard of local public administration and to a better mutual understanding. However, there seems to exist some fear among the local authorities that those interchanges of personnel may be used as a means of controlling and exerting influence on local government.

17. National associations of local authorities

Each category of chief executives maintains a national association. These associations, the National Association of Governors, the National Association of City Mayors and the National Association of Towns and Villages have become highly important centres of co-operative efforts and maintain offices in Tokyo in which research and publications on local administrative problems are carried on. The National Association of City Mayors gives advice to its members on matters of a technical or legal nature and explains the government's budget policies. Some of these associations provide also for a collective insurance for personnel of local public bodies, and a pension system for municipal officials, whilst the National Association of Towns and Villages co-operates with municipalities for insurance for municipal owned properties.

Like the chief executives, the chairmen of the assemblies have their own national organizations, separate for prefectures, cities, towns and villages, namely the National Association of Chairmen of Prefectural Assemblies, the National Association of Chairmen of City Assemblies and the National Association of Chairmen of Town and Village Assemblies. These associations also maintain national offices and research staffs in Tokyo. All these organizations have in legislation of them, however, submit written requests and make petitions to competent Government departments. They also exercise influence on the legislation by petitions to the Central Government and the Diet.

Moreover, the Association may influence central government legislation and measures by their representation on central government committees. A good example of this is the local finance commission, a section of

the Finance Bureau of the Ministry of Autonomy to advise on local fiscal and financial problems. This commission is composed of five members, appointed by the prime-minister with the approval of the Diet. One of the members should be recommended jointly by the National Association of Governors and the National Association of Chairmen of Prefectural Assemblies; one member by the Association of City Mayors and the National Association of Chairmen of City Assemblies, and one member should be recommended jointly by the two other associations. So all the associations have their say in the said commission.

Apart from these associations but in close mutual co-operation stands the Tokyo Institute for Municipal Research established as a legal, independent non-profit organization, in February 1922 and modeled after the New York Bureau of Municipal Research, presently the Institute of Public Administration in New York. Having its own funds, this institute is able to conduct research and publish the results of its research quite independently without financial assistance from other sources. The work of the institute may be roughly divided into: 1) research entrusted to it by governmental and public offices; 2) publication of a periodical and other materials; 3) suggestions to the authorities concerned; 4) liaison and co-operation with other organizations; 5) practical efforts for civic education, and management of a very important Municipal Reference Library, operated by the institute in the institute building in the heart of Tokyo. This library is the sole special research library on municipal administration in Japan.

The institute is also actively co-operating with interested academic circles and research organizations such as the Japan Society of Public Administration, Japan Society of City Planning, Japan Society of Urban Relations, Japan Tax Association and others. Directors of the Tokyo Institute simultaneously serve on these groups while its staff members also engage in these activities.

By promoting closer relationships with interested organizations and universities in well-known cities of the world, the institute is exchanging data and information with them and is offering its services to foreign scholars, students and research workers visiting Japan.

In addition to all this, the institute is serving as the executive office of the Japan Public Administration Clearing House, better known as the Japan Local Self-Government Institute. In order to ensure smooth development of local autonomy in this country a joint activity among prefecture, city, town and village together with their investigating organs was deemed of vital necessity. And so the Japan Local Self-Government Institute was founded in March 1951 with a membership of the six national associations of prefectures, cities, towns and villages, and their assemblies, and the Tokyo Institute for Municipal Research. The object of the thus created Local Self-Government Institute lies in carrying out a clearing-house type of activity for these national associations, an activity modeled after the Public Administration House in Chicago.

This institute carries out the following activities:

1. To develop and circulate ideas of local autonomy throughout the country.

2. To act as liaison channel between and assist in reconciling opposing points of view of different groups interested in local administrative affairs.

3. To facilitate the interchange of information, ideas and experience of local officials and others interested in local government problems

4. To study and investigate affairs of local autonomy, publish and distribute books, pamphlets and other printed matters relating to the same.

- 5. To maintain public administration service where local public officials or groups of citizens interested in local government matters can obtain or be directed to technical sources for advice and guidance on problems affecting government administration.
- 6. To improve the position and raise the standards of local public servants.
- 7. To aid in the personnel exchanges between various levels of government.
- 8. To contact overseas groups having common interest in problems of local autonomy, to secure and distribute foreign information concerning the same.

And other matters necessary for achieving its objectives.

Finally, mention must be made of a joint office of the five big cities of Japan (Yokohama, Nagoya, Kyoto, Osaka and Kobe), residing in the building of the Tokyo Institute of Municipal Research. These "designated cities" still hope to get the status of "special cities", a system which failed to be realized and has been abolished. Anyhow, they are aiming to get broader functions and are expecting to stand a better chance by joint actions. But apart from this, these big cities have so many specific problems in common that it seems quite obvious that they should act together.

18. Evaluation

The adoption of Japan's new Constitution, based on democratic principles, laid the legal foundation for the creation of representative institutions. One of the chief aims of the Local Autonomy Law of 1947, was to decentralize administration in order to prevent the re-emergence of the totalitarian central control system which had characterized pre-war Japan, and to give scope and a responsibility to local government bodies. 1)

Still, it cannot be said that Japan has really attained local autonomy in practice, as there are distinct trends toward centralization in the field of

local government.

Immediately after the war the range of responsibility of local government increased. With the abolition of the Ministry of Home Affairs, the police forces were in part decentralized and placed under local jurisdiction. Larger villages and towns had their own Public Safety Commission and autonomous police. However, after 1951, local authorities were permitted, and after 1954 forced, to give up their autonomy in this field. Thus the municipal police forces were abolished and brought into a prefectural police under the supervision of the National Public Safety Commission. Through its power to appoint the prefectural police chiefs, the central government can once more exercise control over the entire police force, thus reverting the police system, in many respects, to the pre-war pattern.

The decentralization of education could equally be considered as a significant change. Elected Education Committees in cities, towns and villages, or groups of villages, exercised autonomous control of education within the limits of requirements of national legislation. They controlled the appointment of teachers, school finance, etc., within a framework of overall control exercised by the Prefectural Education Committee. In 1956, however, these committees became appointive, and all members of the committees are now being appointed by governors or mayors with the consent of prefectural and municipal councils. Moreover, it appears that the Ministry of Education's power to offer guidance, advice and assistance to local education

¹⁾ Cf. Dore, p. 318-322 and "Japan's Modern Century", by Hugh Borton, New York (1955), p. 416-419.

commissions are exercised in a constant stream of memoranda, model sets of regulations, etc., leaving little initiative and autonomous powers to the local education committees. The tendency seems to be to revert to a prewar pattern of centralized control over education.

Much the same can be said of the Land Committees, established according to the post-war land reform, to administer the scheme in the village, giving equal representation to landlord and non-landlord interests. Here again, local autonomy is more thoroughly circumscribed than would appear on paper.

It appears that the discretionary scope permitted to the legislative and executive agencies of local government is closely limited by national legislation.

But even where discretionary powers are provided by the system, old habits of reliance on higher authorities seem to die hard. The tendency to rely on authority is fostered by the predominance among local government activities of functions assigned to the local authorities under the different laws and ordinances, in which they rather act as agents of the central government.

Moreover, local authorities only have a limited financial autonomy. Besides the block equalization grants from the central government, local authorities are to a large extent dependent on specialized grants and subsidies for particular purposes. As most grants are partial subsidies, some further expenditure by the local authorities is required. The result is that the activities of local authorities are effectively directed by the central government's provision of financial aid.

All these factors operate to reduce the effectiveness of the gains in local autonomy, which the post-war reforms intended to bring about.

The Japanese author, Nobutaka Ike also concludes that as yet Japan has not practically attained local autonomy, since the central government continues to exercise extensive influence over local authorities. 1) The central government seems to be more concerned to establish uniformity than to stimulate a spirit of local self-consciousness.

In his opinion at least four reasons may be cited to explain why, despite legal and institutional changes, local authorities have not in fact achieved more independence.

First the idea of community is relatively poorly developed with the result that the level of civic pride is low. This is part of the general problem of political apathy. Still too often it seems that government continues to be regarded as something that is done to and for rather than by the average citizen. 2)

Second, local officials by tradition and habit are not accustomed to take the initiative in solving problems at the local level and still prefer to look to Tokyo for leadership.

Third, there are many problems - social security, unemployment, economic planning, etc. - which by their nature must be dealt with at the national level. Because of the welfare ideology, the central government implemented various policies on a large scale, aimed at improving social and economic welfare, which resulted in the close affinity of the functions of local authorities with national interests. Consequently, the influence of the central government in many fields of local administration began to increase more and more.

And fourth, local authorities lack the financial resources, given the present tax structure, to support the necessary local activities and hence have to rely on central government for financial aid in the form of grants-in-aid and subsidies.

According to another Japanese author, Ichiji Haraguchi, local government in Japan stands at a cross-road, wondering which way it should choose: democracy or efficiency, liberty or authority.

^{1) &}quot;Japan", p. 184-185.

^{2) &}quot;Village Japan", p.403.

The crisis of local government in Japan may be ascribable to reactionarism and bureaucracy on the one hand and lack of public sense on the other. With regard to the latter, Haragushi points out that the people in general who have been united with loyalty to their Emperor and lords, are not so much public service minded, because the spirit of dependency to bureaucrats and of respect to government officials is deep-rooted in them. 1)

All these factors are not favourable for the development of democratic local government, which started with the enactment of the Local Autonomy Law in 1947. After a few years in which a policy of local self-government and decentralization was put into effect there began a period of reaction. The scope of independence, granted to the local authorities according to democratic principles, was considered to some degree unsuitable to Japan in the light of prevailing conditions, resulting in reverting, in many respects, to pre-war patterns of centralization. Accordingly, local authorities were put under the strong control of the national government, both administratively and financially.

Admitting that there are certain trends toward centralization in the field of local government, a pamphlet of the Japan Local Self-Government Institute 2) concludes that it is still premature to presume that centralization and bureaucracy will return again, since the idea of democracy and the democratic way of thinking are gradually spreading among the people, which sounds promising.

^{1) &}quot;Outlook of the Revised Autonomy Law" in Tokyo Municipal News, November, 1956.

^{?) &}quot;Guide to Local Government in Japan", Tokyo (1959), p. 7.

1. Geography and some facets of the Social Structure

Ceylon is a pear-shaped island in the Indian Ocean, separated from India by a strip of shallow water. Its area is rather more than 25,000 square miles nearly twice that of Formosa. The montainous area in the south-central part of the island, averaging from 3000 to 7000 feet is surrounded by an upland belt of about 1000 to 3000 feet which, in turn, gives way to a costal plain, narrow in the west and extensive in the north.

The estimated population at the end of 1957 was rather more than nine million, consisting of Sinhalese 2) (70%), Ceylon Tamils, who have lived on the island for many centuries (11%), Indian Tamils, relative newcomers who arrived during the colonial period to man the tea and rubber estates, and develop wholesale business (11%), and some minor racial groups, i.e. Muslims, descendants of Arab traders and Burghers, descendants of the Dutch dating from the period of Dutch rule. Population is increasing at the rate of 2.6 per cent per year. The Sinhalese are mainly Buddhist and speak Sinhalese, an Aryan language related to Bengali; the Tamils are Hindus who speak the Dravidian language Tamil. Perhaps 8% of the population are Christians, divided between Sinhalese and Tamils, though nearly all the Burghers are Christians.

There are also cast groupings, which are less strict than in India. Many of the Sinhalese and Tamil communities lead different lives and follow differing family customs. Although many individuals in both communities are fully accepted within the other, the two groups consider themselves markedly different. Each community tends to form a network of mutual confidence and assistance when a member is faced with harm from those outside his own community. There are only a few institutions, i.e. trade unions, larger business enterprises, the public service and the Christian churches which bring the two communities together.

Awareness of mutual differences have increased rather than diminished since dependence. 3)

Ceylon's economy is dependent upon world demand for three primary products - tea, rubber and coconuts. These crops provide about 90 per cent of the total earnings from export. Ceylon is the world's second largest producer of tea and the third largest of rubber. An investment programme of industrialization is being undertaken. Ceylon has no indigenous resources of coal and oil. It is, however, developing its hydro-electric sources with great success.

. History

The Sinhalese period of Ceylon's history dates from the sixth century B.C., when the island is said to have been invaded from India. The Veddahs are believed to be descended from the original inhabitants, of whom little

2) Anthropologists agree that the Sinhalese were themselves almost certainly immigrants from India.

¹⁾ Cf. the "Report of the Commission on Local Government", Chairman Mr. N. K. Choksy Q. C., Secretary Mr. E. F. Dias Abeyesinghe (Sessional Paper XXXIII, 1955). Several of the following data are drawn from this important document.

³⁾ Cf. W. Howard Wriggins "Impediments to Unity in New Nations: The Case Ceylon" in the American Political Science Review. June, 1961, p. 312, 320.

is known. The authentic history of the country begins in the third century B. C., when Buddhism was introduced. There were numerous incursions from India, which resulted in the disintegration of the Sinhalese kingdom. After a period first of Portuguese rule, later, in 1658, of Dutch rule, actually only in the maritime provinces, British troops landed in Ceylon in 1795, with the result that the island was made a Crown colony. Progressive advances towards self-government were made during the nineteenth and twentieth century. The 1946 constitution provided for a Parliamentary system of government modelled on Westminster. The Ceylon Independence Act was passed by the U. K. Parliament in the following year, conferring independence within the Commonwealth, which became effective on 4th February, 1948, now celebrated as Independence Day.

The development of local government in Ceylon can be traced to very

ancient times.

Historical records of the 1st to the 6th centuries A.D. contain numerous references to such matters as the recovery of rates, taxes and revenue shares, the supply of water for irrigation and/or harvest, the existence of administrative divisions, and, the continual work of reconstruction and maintenance of

irrigation reservoirs and channels by communal labour.

The affairs of every village were directed and controlled by its natural leaders. The village councils of Ancient Ceylon, which were known as "gan sabha" 1) were not controlled or directed by any central authority. Matters of common interest were fully discussed by the village councils, and the decisions of the majority were accepted and acted upon by the community without dissent. Larger councils known as "rata sabha", which dealt with matters affecting whole districts, or provinces, were also known.

During the periods of the Portuguese, Dutch and Early British, the system of local government was only affected more or less in the Maritime Provinces, since the Europeans generally attempted little more than coastal forts. In the more conservative Kandyan Kingdom it continued to flourish till the

Rebellion of 1817 - 1818.

After the Proclamation of 1818, the gan sabha ceased to receive local recognition and fell into desuetude.

Early British administrators, however, realized the value of village irrigation and cultivation which was connected with old customs, many of which were dying away, and it seemed desirable to restore them. The Irrigation Ordinance of 1856 revived the old village committees and gave them power to make rules for irrigation and cultivation, and to punish in case of breaches of such rules. They had the power to call out communal labour for the repair and maintenance of village watercourses.

The village committee was re-established based on an ordinance of 1871. So the interest in irrigation led to this revival of village committees and

thus of local government for the island. 2)

While local government in the villages was looked after by village committees, modern machinery of local government was being introduced in the towns and urban areas, very much on the British model.

The first Municipal Councils Ordinance was passed in 1865, the Small Towns Sanitary Ordinance became law in 1892, and the Local Boards of Health

and Improvement Ordinance was enacted a few years later.

It was the intention that these local bodies should not only manage their own affairs, but should also become training grounds for political thought in the country. 3)

Comparable with the Indian "panchayat".

3) Ibid, p.87.

^{2) &}quot;Public Administration in Ceylon" by Sir Charles Collins (1951), p. 86.

The most striking feature of the ordinance establishing municipal councils in Ceylon was that the democratic principle was introduced for the first time into a local administrative organization. The constitution of the first municipal council of Colombo was based on the principle of representation, plus nomination, with a nominated chairman having a casting vote.

An important step taken in accordance with some of the recommendations laid down in the Report of the Special Commission on the Constitution, generally known as the Donoughmore Commission, published in 1928, was the enactment of the Urban Council Ordinance of 1939. It deals solely with "urban councils", the new name for the former "urban district councils". Of the members of the urban councils, consisting of not less than six, nor more than twelve, two were to be nominated by the governor, the rest were to be elected. 1) The franchise was to be extended to women.

Progressively more urban councils were created.

Similar lines of development could be seen in village committee administration. Most of the advances made in Government policy regarding village committee administration came in 1924 with the enactment of the Village Community Ordinance of that year. This ordinance is an important landmark in the history of rural local government in this country.

The most striking feature of the development of rural administration in this period was the introduction of the principle of debarring minor or chief headmen (government officials) from membership of village committees.

By the Village Community Ordinance village committees were made corporate bodies with perpetual succession with the power to hold property, tax lands, and to make by-laws on a variety of subjects.

In accordance with the policy decided on by the Government for the extension of democracy a decision was taken in 1941 to do away with the few bureaucratic sanitary boards and the one surviving local board. When it was finally put into effect in 1946, it lead to the creation of a new type of local authority: the town council, administered under the Town Council Ordinance of 1946. The powers and duties of town councils are almost entirely on a par with those of urban councils, the main difference being that the number of the members was limited to not less than three and not more than eight, and that its power of local taxation was strictly limited.

Since 1947, local government institutions on the island cover every part of it, except the area of the Gal Oya Board, and the military areas of Trincomalee and Diyatalana.

This modern system of local government was essentially modelled on the British system. Although the two-tier system was not followed in Ceylon, the units, namely village committees, town councils, urban councils and municipal councils, correspond to the British rural districts, urban districts, non-county boroughs and county boroughs.

The most important change in the post-independence period was the passing of the Local Authorities (Enlargement of Powers) Act, in 1952. Its main purpose was the removal of some of the measures of control which the Central Government had been till then exercising over them and rendering them more autonomous in relation to the development of their activities and the expenditure of their funds.

3. Field administration

For administrative purposes Ceylon is divided into twenty one districts. 2) Heading each district is a government agent, appointed by the Central Govern-

¹⁾ The principle of appointed members has been abolished in 1942 and at the same time this minimum number of members has been reduced from six to four.

²⁾ The original division of the island in provinces, although still existing, is gradually disappearing. The arrangement of local government elections

ment and subject to the control of the Ministry of Home Affairs. The government agent is the revenue collecting and paying officer for the Central Government in the district.

Originally the task of the government agent combined all functions, including police, health, etc. in the field. In order to assist and accelerate the development of the village committee administration especially, the Government decided in 1946 to take the supervision and control of village committees out of the hands of the government agent, and to turn it over to the Local Government Department. This function has been devolved on regional assistant commissioners of local government. For this purpose the 21 administrative districts have been grouped into 14 local government regions; each is headed by an assistant commissioner of local government.

The system of administration through government agents, directed by the Central Government and known as the Kachcheri system, therefore now only deals with matters affecting local areas which do not belong to the competence

of local authorities.

On account of the need for specialization, some functions were removed from the government agent's direct control. The departments carrying out such work now have their own field organizations directly responsible to head officers in Colombo. The administrative areas covered by such field organizations are in general the district area, although certain departments like the Public Works Department, Irrigation Department and Co-operative Department, have their own areas of administration. On behalf of other departments which are without regional organizations, the government agent acts as an "agent" of the head office in Colombo. Even in such cases the specialized staff, necessary for the work, is provided to the government agent by the departments concerned.

District administration reaches right down to the village through divisional revenue officers, who are in charge of divisions, each comprising a number of headmen's areas, consisting of one or more villages. There are today 107 such divisions. The "divisional revenue officer" (DRO) is under the control of the government agent. Here too, the work is similarly organized as at the district level.

Co-ordination of work is provided for by the establishment of co-ordinating committees at the level of the district (-government-agent) and at the level of the divisional revenue officer. This, however, is a recent innovation set up in 1953.

In his function of chief co-ordinating officer in the district, the government agent acts as the chairman of the district co-ordinating committee, consisting of representatives of central government departments functioning in the district, divisional revenue officers and members of Parliament of the district. The village committees are represented by the assistant commissioner of local government, and in recent times, by a few chairmen, selected from the village committees in the district and nominated to be members.

The functions of the committee are to co-ordinate governmental activities in the administrative district and to facilitate the carrying out of the Govern-

ment's programme in the district.

The divisional co-ordinating committee is presided over by the divisional revenue officer. The members are representatives of the various departments functioning in the division, chairmen of some village committees and representatives of unofficial bodies.

The lowest administrative member in the hierarchical system of the Kachcheri is the village headman, a salaried official appointed by the Government. He is the officer to whom most of the government departments turn for information and services in connection with rural areas. Originally, the headman was a revenue collecting officer; he is now used for such functions as food control, census work, police work, revenue collection, etc. The nature of his duties and the scope of his appointment provide him with a certain influence and a leadership.

There is a strong tendency in Ceylon today to eliminate this Kachcheri system with its divisional revenue officers, headmen, etc., as it tends to perpetuate the allegiance of the local population to the government agent as the representative of the Central Government, which has a weakening effect on the authority and prestige of local bodies. As the emphasis has shifted more and more to local authorities, it is felt that the power should be taken away from the Kachcheries and be transfered to the local bodies.

In spite of this, however, an increasing number of field organizations of various departments have been set up under the direct or indirect supervision of the government agent who has been invested with the powers necessary for the control and utilization of these organizations to further the in-

terests of the various departments.

A chart of a typical Kachcheri set-up, supplied by the Ministry of Home Affairs and published in an appendix of the Choksy Report, shows the various officers as an assistant or additional government agent, an office assistant, a district lands officer, and administrative assistant, an elections officer, an assistant food controller and an extra office assistant, who are associated with the government agent. These officers are the channel through which the various activities of the Central Government are carried out in the province or the district.

According to the Ministry of Home Affairs, the reason why the Kachcheri system not only survived but even grew in stature and importance, can be found in the need for a "personal" administration necessitated by the absence of a developed system of local government. 1)

However, to strengthen local government it seems to be unavoidable that the various functions and duties performed through and by the network of officers attached to the Kachcheries will gradually be turned over to local authorities in order to associate the people more closely with the administration.

1. Nature and scope of Local Government in Ceylon today

There are four classes of local government units in Ceylon i.e. municipal councils, urban councils, town councils and village committees. They are independent statutory corporations and their constitution, powers and duties, as well as their areas of authority are provided for in the respective ordinances which apply to them namely the Municipal Council Ordinance of 1947, the Urban Council Ordinance of 1939, the Town Council Ordinance of 1946, and the Village Community Ordinance, Chapter 198. These ordinances have been partly amended by the Local Authorities (Enlargement of Powers) Act of 1952.

Municipalities

The Municipal Council Ordinance empowers the Minister of Local Government and Housing to declare any area to be a municipality, to name this area and to define its limits. So far seven areas of sufficient importance have been declared as municipalities. A new municipality is to be constituted in February 1961.

Each municipality consists of a number of wards, determined by the Minister of Local Government and Housing. Each ward is represented by a single councillor. The councillors, elected by popular vote, hold office for a term of three years. At the first meeting of a new council it elects from among the councillors a mayor and a deputy mayor. The first meeting is summoned by the municipal commissioner, who is, next to the mayor, the chief executive officer of the council. He presides over that meeting and conducts the election of mayor and deputy mayor.

A municipal council is required at its first general meeting in each year to elect from among the councillors a standing committee on finance and not

¹⁾ Choksy Report, p. 36.

less than two other standing committees. Besides the committee on finance the most important standing committees are on public works, health, law, and road and transportation. These standing committees generally exercise such powers, duties and functions as are delegated to them by the council or are otherwise conferred or imposed upon or vested in them. There are no statutory restrictions on the powers, duties and functions which may be delegated by the council to its committees. When powers, duties and functions are delegated, the committee decides matters as though it were the council, reporting such decisions to the council, where the delegation or standing orders so require.

The mayor is ex officio chairman of the finance committee, whilst the other committees are free to elect their own chairman.

For the purpose of inquiring into and reporting on any special matter the municipal council is empowered to appoint special committees. These committees cease to exist when their particular duty is fulfilled.

The mayor has many executive functions to perform; acting as the chief executive officer of the council, he presides at the meetings of the council. The council may by resolutions delegate to the mayor generally or specially any of its powers, duties or functions.

The mayor and deputy mayor are ex officio Justices of the Peace and unofficial magistrates for the revenue district in which the municipality is situated. These chief executive officers receive no remuneration for their work. However, they are paid expenses for travelling and legitimate official duties.

Next to the mayor the municipal commissioner is the chief executive officer of the council. He is the advisor of the council and co-ordinates and supervises the functioning of the municipal departments. The municipal officers are the municipal secretary, the medical officer of health, the municipal accountant, the municipal treasurer, the assessor, the municipal engineer, the chief fire officer, charity commissioner, etc. They are appointed by the Local Government Service Commission and are paid a salary.

The council has the power to delegate any of its functions and duties to the municipal commissioner or to any of its officers. Similarly the mayor can delegate any of his powers to any officer. As this is left entirely to the discretion of the council or of the mayor, there is no regularity at all with regard to the delegation of powers.

So it may happen that insufficient use is made of the services of competent officers and that the municipal commissioner cannot be held responsible for the administration of the council.

By resolution of the council the (deputy) mayor can be removed from office. A bare majority is sufficient to oust the mayor at any time within the period of his office, which easily leads to an unsatisfactory situation. As the fear of a vote of non-confidence is there against him at any time when his independent view conflicts with the view of some members of the council, it is difficult for the mayor to maintain his independence.

The powers and duties of municipal councils are outlined in sections of the Municipal Council Ordinance. In addition to this, several other powers and duties are conferred on these councils under various other legislative enactments. Some of the principal statutes, connected with municipal administration, are the Housing and Town Improvement Ordinance, the Town and Country Planning Ordinance, the Butchers Ordinance, the Cemeteries and Burials Ordinance, the Public Performance Ordinance, the Entertainment Ordinance, the Law Acquisition Act, the Electricity Act and the Motor Traffic Act.

The important powers and duties of municipal councils may be summarized as follows:

Lands - Administration of lands, buildings and other municipal properties. Streets - Provision of streets and their maintenance to deal with obstructions and inuries to streets and nuisances on streets.

Public Health - The council is the public health authority for the municipal area. The council provides drainage schemes, deals with insanitary buildings, controls and regulates the construction of buildings, maintains conservancy and scavenging services, takes preventive measures against spread of infectious diseases and epidemics, regulates and licenses offensive and dangerous trades, supervises slaughter-houses, regulates street sales and implements the provisions of the Food and Drugs Act.

Markets - The council provides markets and charges rents and fees from stall holders and vendors in the market, enforces sanitary conditions in the

markets and regulates and licenses private markets.

Public Utility Services - The municipal councils provide free dispensaries, maternity and child welfare clinics, childrens' hospitals and dental clinics; public parks, open spaces, playgrounds, public libraries and reading rooms, and other recreational facilities; public bathing places, washing places, public conveniences.

Town planning and zoning - Municipal councils are empowered by the Town and Country Planning Ordinance to prepare and bring into operation schemes for town planning and zoning. For assisting the local authorities to perform these functions and duties, the services of the Town and Country Planning Department of the Central Government have been made available to them. Trade Premises - The municipal council regulates and licenses trade premises and enforces the weights and measures ordinance, regulates licenses and supervises eating houses, tea boutiques and lodging houses. Cemeteries - The council establishes and maintains public cemeteries and crematoriums.

Fire and Ambulance Services - The municipal fire services and ambulance services are maintained by the council.

Municipal councils are empowered to frame by-laws with the approval of the Minister of Local Government and Housing. To be valid these by-laws have to be ratified by Parliament. The Municipal Councils Ordinance enumerates the subjects on which by-laws may be framed.

A municipality is expected to have at least twelve general meetings annually. Special meetings are summoned when a written request is made by a specified number of members. For every decision the majority vote of members

present is required.

The budget is submitted by the mayor before the end of the year. He is responsible to the council for the budget. The executive officers of the council have no voice in the presentation of the budget except in an advisory capacity.

Since recent years the party system has been introduced into local politics. Elections for municipal councils take place on the basis of the party system. However, a few independent candidates too stand for elections and seem often to be successful.

Urban councils have the power to use out of its local funds for enumerated purposes, and the power to make by-laws on matters set out in detail in the ordinance.

In addition to the functions, powers and duties laid down in the Urban Council Ordinance an urban council has or can have functions, powers and duties under other ordinances, such as the Auctioneers and Brokers Ordinance, the Public Performances Ordinance, the Vehicles Ordinance, the Cemeteries and Burial Grounds Ordinance, the Entertainment Tax Ordinance, the Town and Country Planning Ordinance, the Motor Traffic Act, etc.

As contrasted with the paid staff, members and chairman do not receive

allowances or salaries.

Urban Councils

Any area which is not a municipality and which on account of development is urban in character, may, by ministerial order, be declared a town for which an urban council may be constituted. There are 36 urban councils.

An urban council consists of no less than four and no more than twelve members, according to the electoral divisions, wards, into which the town is divided. The "executive officer" of the council is its chairman, elected from its members for a three years' period. He is ex officio a Justice of the Peace and unofficial magistrate. The vice-chairman is elected annually. The urban councils, like the town councils and village committees, are expected to have monthly meetings. The chairman may convene a special meeting of the council. This can also be requested in writing by two or more members of the council. An urban council may appoint committees consisting partly of members of the council and partly of other inhabitants of the town for the purpose of advising the council with reference to any of its powers, duties and responsibilities. The council may delegate any of its powers and duties to such committees other than the power to raise loans, to levy rates or to impose taxes. It may also make arrangements by mutual consent with other urban councils or a municipal council for the constitution of joint committees.

Within its administrative limits an urban council has the following main

a. to maintain public thoroughfares and open spaces;

b. to supervise and provide for the growth and development of the town;

c. to abate all nuisances;

d. to establish and maintain, subject to the extent of its resources, any public utility service which it is authorized to maintain under the Urban Council Ordinance and which is required for the well-being, comfort or convenience of the inhabitants. These services are water supply, lighting of streets, public places and public building, the supply of electric light or power, establishment and maintenance of markets, public baths and bathing places, the provision of housing accommodation for the poorer class. Some towns have established and maintain public libraries, community centres, free dispensaries, milk schemes, recreation grounds, resthouses, etc.

Urban councils have the power to make by-laws on matters set out in detail in the ordinance.

In addition to the functions, powers and duties laid down in the Urban Council Ordinance an urban council has or can have functions, powers and duties under other ordinances, such as the Auctioneers and Brokers Ordinance, the Public Performances Ordinance, the Vehicles Ordinance, the Cemeteries and Burial Grounds Ordinance, the Entertainment Tax Ordinance, the Town and Country Planning Ordinance, the Motor Traffic Act, etc.

As contrasted with the paid staff, members and chairman do not receive

allowances or salaries.

Town Councils

For rural towns, town councils can be constituted under the Town Councils Ordinance with functions similar to those of the urban councils. Forty-four town councils are constituted. The powers and duties of town councils are substantially the same as those of urban councils. The main difference being that town councils cannot impose and levy a rate of more than nine per cent. Further there must be not less than three nor more than eight members for each town council, each ward into which the town is divided being represented by one member.

Town councils can also appoint special committees for purposes other than those relating to loans and taxation. These may consist of only councillors

or of councillors and members appointed from the public.

As will be seen later, the procedure adopted in upgrading a town council area to an urban council is very much the same as is followed in the case that an area of concentrated development in a village committee area can be raised to a town council. Although there are no fixed criteria, the main points

to be considered are the population, the revenues, the financial position, trade premises, schools, public institutions, etc.

Village Committees

The village committee is the least developed type of local authority in Ceylon. It is constituted for areas consisting of a group of villages, into which each divisional revenue officer's division or part thereof is subdivided. A village headman's division, a part thereof or a combination of village headman's divisions in a village committee area functions as a ward for the election of members of the village committee. Village committees and their wards have no precise legal boundaries, as their boundaries are defined in relation to divisional revenue officer's divisions and village headman's divisions which do not have precise boundaries.

There are 407 village committees among which nearly fifty with revenues of less than one thousand rupees per annum. Rather more than a hundred village committees have to administer areas which extend over fifty square miles. These are both factors, inconsistent with efficient administration.

The number of members of a village committee varies and is decided by the Minister of Local Government and Housing. The election is triennial. The chairman and the vice chairman are elected from the members at the first meeting of a village committee. The chairman is elected for a three years' period, while the vice chairman is elected annually. The chairman of a village committee is ex officio Justice of the Peace.

The village committees are empowered to appoint special committees to investigate and examine matters concerning the administration.

The main powers and duties of village committees as laid down in the Village Communities Ordinance are:

- a. to establish or maintain public services which are required for the welfare, comfort and convenience of the public, subject to the extent of the resources of the committee and subject to such prohibitions or restrictions as may be imposed by any other law. Under this provision village committees have constructed and maintained roads and paths, established or maintained conservancy and scavenging services, public latrines, water services, electricity schemes, markets and fairs, indigenous dispensaries, community centres, public libraries, playgrounds, etc.;
- b. to establish and maintain maternity and child welfare clinics. The clinical treatment is provided by the medical officer of health of the area, appointed by the Central Government, whilst the building, equipment, milk and vitamin tablets, etc., are provided by the village committee;
- c. midwifery service. The services of midwives are provided by the Central Government under the Unified Midwifery Service on payment of an annual contribution. The midwife remains an employee of the Central Government and works under the supervision of the medical officer of health. Some of the village committees employ midwives paying for their services out of their own funds;
- d. to make and enforce by-laws under the provisions enumerated in a section of the Village Community Ordinance.

Like the other types of local authorities, village committees possess powers and duties under other ordinances, e.g. the Cemeteries and Burial Grounds Ordinance, the Housing and Town Improvement Ordinance, the Butchers Ordinance, the Entertainment Tax Ordinance, etc. Acting under instructions of these ordinances, village committees have the control of dangerous and offensive trades, such as brick and tile kins, of eating houses, lodging houses, meat and fish stalls, control of building activities in built up areas, control of butchers and slaughter houses, etc.

As contrasted with the other local authorities, village committees cover extensive areas. In these rural areas are isolated settlements of more concentrated development, due to geographical, social, commercial or other factors. Certain hamlets may occupy strategic positions in that they are the meeting point of roads along which transport activity takes place and which attracts business people. Or it may be that certain salubrious surroundings of a village are selected as a residential area for well to do citizens, so that a number of buildings of a better standard is set up, which leads to further development.

Such places need special attention of the village committee in order to be provided with certain amenities, such as water service, public wells, public latrines, a burial ground, etc. At the beginning these amenities are provided free but then it is time to introduce taxation in such areas. It often happens that the elected representatives are not willing to take the initiative for fear of displeasing the public so that the Department of Local Government has to take the lead. At a meeting of the village committee such an area has to be declared as a "built up locality" with the approval of the assistant commissioner of local government. This is the principal condition to levy the assessment tax from the inhabitants of such a place. When these built up areas continue to develop further, the village committee can enforce the Housing and Town Improvement Ordinance in these areas. This is done with Cabinet sanction by proclamation in the Gazette and serves to prevent haphazard building and the growth of slums, necessitating the previous approval of building plans.

In case of yet further development the possibility exists to raise such built up areas to a town. This may occur at the request of the inhabitants, of the village committee in which such an area is situated or of an officer, usually the assistant commissioner of local government, who feels the necessity of re-definition. The request is than examined by the Department of Local Government in relation to the financial resources of the area, the services rendered by the existing local authority, the wishes of the people, the effect of such a decision on the village committee, where the locality is situated, etc. If the suggestion is approved, the views of those concerned are summoned by notice in the Gazette and in the daily press. The decision is taken by the Minister of Local Government and Housing and is given effect by an order under the relevant section of the ordinance.

It may also happen that a built up locality in a village committee area is contiguous to an existing town council or an urban council adjoining the village committee area. In such a case absorption of the built up area into such a higher local authority may be considered. However, if the built up area is isolated from a local authority of higher grade, there is no alternative but to consider the elevation in status of that area by the creation of a town council, provided all requirements are fulfilled.

For assisting in the quicker development of the 407 village committees of the island, Ceylon has been divided into 14 local government regions, each in charge of an assistant commissioner of local government. The advice, experience and generally the services of these officers are readily available to the village committees which seek assistance in solving their problems. The assistant commissioner counts in his staff a technical officer - a superintendent of village works - to assist the village committees in the designing and execution of their village works, whether it be a bridge, culvert, well, road or building. To assist them in their office organization and accounting procedure and in the organizing of community centres the services of the investigating officer, attached to the assistant commissioner's office, are available.

The assistant commissioners play an extremely important part in the proper development of village committee administration. Their assistance through encouragement and guidance is highly appreciated by the village committees, which are well aware that the benefit of their experience and special-

Gal Oya Development Project

The Gal Oya Valley project in East Ceylon, set in motion in 1949, was launched to obtain increased production and enlarged employment opprtunities.

The statute for this project, the Gal Oya Development Board Act, outlines the aims and purposes of the scheme as follows:

- a. to create and increase agricultural and industrial production;
- b. to open new avenues of employment;
- c. to provide flood protection to a complex of over 30,000 acres of ancient rice lands:
- d. to settle in the newly developed areas the optimum number of landless families:
- e. to promote the social, economic and cultural well-being of the people in the area, both the new settlers and its ancient inhabitants.

The Gal Oya Development Board, which is modelled on the Tennessee Valley Authority in the U.S.A. and the Damodar Valley Corporation in India, is a body corporate and is statutarily vested with large powers. It consists of four members appointed by the Minister of Agriculture and Lands, who also appoints one of the members as chairman of the board. It is empowered to recruit its own staff on its own conditions, to make its own rules and bylaws and set out its own procedures untrammelled by routine governmental practice. The board may determine and levy rates or fees for the supply of water for irrigation, for industrial and domestic purposes whether the consumer of water, supplied by the board, is a government department, a local authority or any other person or body of persons.

It may also sell electrical energy to any consumer or supplier.

To execute its varied developmental and administrative functions a variety of specialized divisions have been set up under the unified control and direction of a resident manager of the project. The resident manager is responsible for implementation of the board's policies and programme of work. He also advises the board on policy making. On par with this officer is the chief accountant who controls the execution of the fiscal policies of the board.

It is interesting to note the rôle of local authorities in the implementation

of these development plans.

By ministerial order the area of authority of the board is divided into a developed and an underdeveloped area. The first constitutes the populated section of the river valley on the eastern and western fringes of the area of authority. In this "developed" area the normal day to day administration continues to be vested in the government agents of the respective districts. Local bodies of the status of town councils and village committees continue to operate in these with the powers and functions of such institutions everywhere else in

the country.

The rest of the area which lies between the "developed" areas on the east and the west, is called "underdeveloped" area and is vested in the board for development purposes. This area was very sparsely populated by isolated pockets of population before the board went into operation there. They were cut off from the rest by roadless jungles and lacked the normal amenities of rural life like schools, dispensaries, markets, etc. The people who lived in those hamlets earned their living by a perfunctory and destructive form of agriculture. Their socio-economic and cultural standards were so backward that although their settlements were grouped together into village committees, they did not interest themselves in local administration or community development.

The few things that were done for their benefit was undertaken by the government agent in their respective areas from grants made by the central government as they hardly had any revenue by way of taxes.

When the Gal Oya Development Act came into operation, the village committees were statutarily dissolved and the responsibility for the development of these remote jungle hamlets vested in the board. All the property, rights, debts, liabilities and obligations of such a village committee were transferred to and vested in the board. However, on its own initiative, the board formed village advisory committees which generally consisted of the members of the village committees that preceded them. The ex-officio chairman is an officer of the board. The purpose of the committees is to advise the board on the needs of each village within its preview. For the time being their rôle is purely advisory.

The local authorities in the "developed" areas successfully utilize the modern amenities which resulted from the progress on the multi-purpose development project for the benefit of the inhabitants of their villages and towns. A noteworthy example is rural electrification that has spread to a number of towns and villages as a result of cheap electric energy being generated and high tension transmission lines spreading throughout the region. The local bodies construct their own internal distribution systems, buying the power in bulk from the development agency, retailing it to the consumers. Electrical power is being increasingly substituted for manual labour in the field and

labour saving devices are reducing the chores of household work.

The improvement of the entire region since the Gal Oya Development Board started its activities is remarkable. The increasing mechanization of agriculture in 40,000 acres of old rice lands that have been freed from the ravages of floods and drought, and the utilization of electrical energy both for industrial and consumer purposes in the rural areas are significant proofs of the evolution from past backwardness to a progressive community. Within the area proper of development operations, 43 new villages and 10 townships complete with schools, medical institutions, community centres and commercial areas have been carved out of the jungle. They carry a population of over 100,000 people who are mainly landless farmer families resettled there from all parts of Ceylon. These people work another 40,000 acres of agricultural land recently reclaimed from the jungle and provided with irrigation and drainage facilities. A vast network of over 700 miles of irrigation canals carry water from the giant Gal Oya reservoir and three smaller detention reservoirs to support the agricultural effort on the tenthousands of acres of new and old rice lands which yield a crop return of many million rupees annually.

In the industrial sphere, a brick and tile factory, carpentry workshop and saw mills, rice mill, etc., are in operation adding to production and employment opportunities. The country's first sugar industry went into initial

production.

Over 500 miles of main and minor roads provide good transport facilities

within and to the new villages and towns that have been established.

Today a little over one half of the development enterprise has been completed. The next five years will see the completion of development on the other half of the project. Many new villages and towns are to be established. At the end of the five years the "underdeveloped" area is supposed to carry a population of 200,000 people who will live in about 100 villages and 20 towns, which will then have to administer their own affairs according to the existing ordinances on local authorities. The administrative consequence to them will in a sense be unprecedented in the history of Ceylon as they would have in operation services pertaining to health, sanitation, water supply, sewerage, etc., which normally would have taken the local administration many decades to establish. However, these local authorities willinot only have to manage what has already been created. The increasing mechanization of agriculture will demand progressive improvements and efficient maintenance of communications within the village as well as between agricultural and residential areas. The expanding use of electrical power for establishing a variety of

industries at the village level will place the onus of responsibility on the local authorities to efficiently plan and to expand power supply systems to their respective areas to cope with increasing needs. All this will be possible because of the improving finances of the local authorities as a result of the expansion, improvement and diversification of the rural economy on account of better and more agriculture as well as industry on a small and medium scale.

The foregoing illustrates the farreaching stimulating effect of the Gal Oya valley project on local government in general and it seems that this stimulation will be even greater in the future.

5. a. Special Department for Local Government

For assisting the supervision, control and development of local government, with the inauguration of the Donoughmore Constitution in 1931, an Executive Committee of Local Administration was appointed by the State Council, and a Department of Local Government under the Commissioner of Local Government was created as the executive instrument of the Committee. Under the new Constitution these duties have devolved on the Minister of Health and Local Government, since 1952 on the Minister of Local Government and Housing. This Ministry consists of a Department of Local Government and a Department of Housing.

The Minister of Local Government and Housing is the authority in law to decide the questions connected with the creation of local authorities, the extension or reduction of their limits, their division into wards, and like questions.

Although decisions on these matters have to be made by the minister, the law does not lay down any definite procedure to be followed in the determination of these questions. The request for re-examination of the area of any local authority in relation to the aspects or reasons for redefinition can be made to the minister either by the local authority itself, or any other local authority interested, by the residents of the area, or by officials. Though a procedure is not laid down, the practice appears to be that a departmental investigation of such proposals is made.

The head of the Department of Local Government is the commissioner of local government. Although the local authorities are free to correspond with the different ministries of the Central Government, they usually prefer to make use of the services of this department. On the other hand the ministries apply to the Department of Local Government for information and advise regarding measures affecting local government.

The department has three important sections:

- (i) The administration and legal work in charge of the deputy and assistant commissioners.
- (ii) The accounting and internal audit section in charge of the chief accountant and assistants and the assistant commissioner (Internal Audit). There is also a statistician to collect data on various matters.
- (iii) (iii) Technical division a. civil engineering work of all local authorities under a civil engineer and assistant;
 - b. waterworks engineer and assistants for minor waterworks in rural areas and in small towns.

The activities of the department can be grouped under three main categories, advice, supervision and control.

The department gives administrative advice to local authorities in their

day-to-day administration and assists them to make the necessary subsidiary legislation to perform their duties and functions. By correspondence, circulars, inspection and discussion the administrative work of local authorities is co-ordinated and uniformaly in procedure brought about as far as possible.

The financial matters of local authorities are under constant review, and accounting advice is given by the investigating officers on their regular visits to ensure correct accounting procedure and remedy defects in method and organization. If the financial position or the administrative machinery deteriorates progressively in any local authority, the department steps in and gives constructive suggestions to improve matters and in very grave cases financial control is enforced on such authority in terms of the law. The local authorities are dissolved and handed over the special commissioners to administer when all other remedial measures fail.

The various grants to local authorities are also reviewed by the department which has to make the annual estimates of the expenditure of the Government of Cevlon.

As far as technical advice is concerned, this advice is given on minor water supply schemes and constructional works. The preparation of estimates and supervision of works can also be undertaken by Government officers on the request of the local authorities and on payment of fees for such services. Free technical advice is rendered to the smaller type of local authority, i. e. village committees through the superintendent of village works who work in regional offices under the direction of assistant commissioners.

The general central control exercised by the Department is to see that the executives of local authorities perform their duties in accordance with the law.

One of the most important services rendered by the Central Government for the proper development of rural local government is - as has been mentioned previously - the appointment since 1946 of regional assistant commissioners of local government.

Their main functions are:

- advice, assistance and approval of many activities of the village committees;
- 2. supervision over the administration of village committees;
- 3. recommendation of government grants to village committees for utility services, village works, health services, etc.;
- 4. supervision over the utilization of these grants;
- to organize occasional training or refresher courses for local government service personnel attached to the village committees:
- 6. to preside at a special meeting convened on a written request of the members of an urban or a town council;
- 7. to function as special commissioner of a dissolved council when directed by the minister.

To the staff of the assistant commissioner of local government belong investigating officers, superintendents of village works, draughtsmen and clerical personnel.

It is the task of the investigating officer to inspect the administration of the village committees, to inquire into irregularities and to advise and instruct the village committee concerned, to advise on the establishment and maintenance of community centres, play grounds and reading rooms and to inspect these institutions. Of all his experiences he has to report to the assistant commissioner.

The superintendent of village works designs and estimates all works

CHART OF THE ORGANIZATION OF THE MINISTRY OF LOCAL GOVERNMENT AND HOUSING

Parliament

Minister of Local Government and Housing

Permanent Secretary, Ministry of Local Government and Housing

- Commissioner of Local Government
 Deputy Commissioner of Local Government

Assistant Commissioners of Local Government	-	С -	1	5						
Assistant Commissio of Local Government	(Regional)									
Technical Officers	III to was control of the control of	 waterworks Engineer. In charge of: 	Rural Water Supply	Schemes.	Assistant Engineer	and Supervisory	Staff.	2. Civil Engineer.	To advise local	
One Chief Accountant & Technical Officers Two Assistant Account-	ants	in charge of: (i) Financial and ac-	counting matters	relating to the De-	partment.	(ii) Annual Estimates.	(iii)	vising Municipal, Urban and Town	Councils in regard	
stant Commissioners Senior Assistant Commis-One cal Government sioners of Local Govern-Two	ment (H. Q.)	(i) Administration of	Municipal and Ur-	ban Councils	(ii) Water Supply,	Drainage and	Sewerage Schemes.	2. Administration of	Town Councils.	
stant Commissioners cal Government										

authorities on major construction works. Assistant Engineer and Supervisory

to financial matters.

(iv) Internal Audit of Urban and Town

Village Committees Housing and Legal

Work.

Administration of

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Councils.

Staff.

in progress, and assesses payments to contractors. He advises, if it is desired, village committees on works which they can pay themselves.

Plans for government grants works, advised by the superintendent of village works are prepared by the draughtsman, who also checks up the estimates.

The Ministry of Local Government and Housing is also generally in charge of the housing policy of the Government and gives grants and technical assistance to local authorities for housing schemes and loans under the Housing Loans Act. Besides this ministry, there are three other ministries that run special housing schemes.

The technical assistance to local authorities for implementing the Government's housing policy is given by the Section of Town and Country plan-

ning of the Ministry of Local Government and Housing.

The undermentioned items give an insight of the work carried out by this department.

- 1. Grants. Approximate estimates are prepared for housing schemes of local authorities which intend to construct housing schemes with the aid of grants from the Central Government. These grants are then allocated by the Local Government Department on the basis of 50% of the cost of housing schemes to municipal councils, 75% to urban councils and town councils and 100% to village committees. The balance of money required to complete the housing schemes is met with the funds of the local authorities in cases of the municipal, urban and town councils. Grants are given on the same basis for acquisition of sites for housing schemes where Crown land is not available.
- 2. Selection of sites. Officers of this department are appointed to inspect the sites selected by local authorities and submit reports on their suitability for housing schemes. These reports are then sent to the local authorities who take action to acquire the sites in cases where these sites have been recommended. Where a site selected by a local authority is rejected as unsuitable, a fresh inspection is invariably made to select an alternative site.
- 3. Preparation of Survey Plans. Owing to the scarcity of licensed surveyors local authorities seek the assistance of this department for the preparation of contour survey plans of sites acquired by them for housing schemes. Especially in the case of village committees this department undertakes to survey and prepare contour plans. In all other cases the local authorities are requested to send a countour plan of the site prepared by a private surveyor in accordance with the specifications sent by this department.

4. Preparation of Plans. Plans prepared by this department for the use and guidance of local authorities in the execution of housing schemes include:

Detailed layout plan.

Plans of sections showing levels through the sites.

Working drawings of different housing types and for the use of available local materials.

Detail drawing of lavatories, drinking wells and bathing places.

Plan for surface drainage.

Detail drawings of roads, foot paths, steps, culverts, retaining walls, earth work, etc.

5. Preparation of Estimates

a. Specifications, bills of quantities and estimates of housing schemes are prepared in this department and assistance is

- documents. Estimates prepared by local authorities are checked.
- b. At the request of local authorities the department is represented at their tender board meetings for the selection of tenders for housing schemes. At tender board meetings to consider tenders for full-grant housing schemes, a government representative is also present.

6. Setting out of housing schemes. Before the commencement of work on the housing schemes, field officers of the department assist the local authorities in setting out the buildings, roads, etc., in accord-

ance with the layout plans and other relevant plans.

7. Periodical inspections & progress reports. Inspections are made by officers of the department and progress reports submitted periodically when construction work is in progress. This enables the local authority to ensure proper execution of the work in accordance with the plans and specifications supplied by the department. Technical advice is given at site on important matters that need quick decision.

8. Checking extra work. Extra work very often becomes necessary whilst construction is in progress. Quantities and rates are checked by the department before payments are made for such extra work.

9. Allocation of Houses. A departmental representative assists the board in the selection of insanitary houses for demolition, as this is one of the conditions on which grants are allocated to local bodies. Occupants of these insanitary dwellings are given preference in the allocation of houses.

10. Arbitration. Arbitration takes place in instances where the contractor and the local authority are at variance. The department supports the

local authority in such cases.

11. Shanty dwellers. With the alarming increase of shanty dwellers, the department has been called upon to undertake the preparation and execution of shanty dwellers' housing schemes. A low-cost house type has been adopted in these schemes.

12. All plans and specifications needed by local authorities for middle class housing schemes are prepared by the department. Except for the Colombo municipality, the major portion of the work connected

with these schemes is done by the department.

13. Other work. At the request of local authorities sketch designs are prepared by this department for council halls, markets, libraries, dispensaries, community centres, rest houses, etc. Approximate estimates are also submitted for the guidance of local authorities.

14. Building research. The Building Experimental Station at Jawatte carries on research in low cost house building materials and methods of construction. The results of research are incorporated in the de-

sign of low cost houses, fireplaces, etc.

- b. Departments and other central government agencies which are concerned with Local Government, including services rendered by them.
 - 1. Local Government Service Commission. This is the authority for appointment of personnel for all local authorities within certain salary groups. It also fixes the salary scales, pensions, leave and other facilities transfers, and is responsible for disciplinary procedure.
 - 2. Department of Health Services. The Ministry of Health is responsible for the health services of the island. The administration is carried out through the Department of Health at the head of which is a Director of Health Services. 1)

Till recently, the development of public health work had mainly been a function of the central government, but in the process of time the central government has been assigning more and more of these functions to local authorities.

Public health work is based on the "health unit" system. For this purpose the island is divided into health areas under medical officers of health and senior public health inspectors. Maternity and child welfare work is carried out in health centres of which there are a great number throughout the island. Maternity and child welfare centres are organized by the officers of the Department of Health with the assistance from local authorities, except in the 3 municipal areas of Colombo, Gall and Kandy. The local authorities provide the required buildings and equipment. They also provide milk to be issued to needy infants. The government pays grants to local authorities to enable

them to participate in this work.

Only in the three above mentioned municipalities medical officers are local authority employees. In the 4 remaining municipalities and in the urban and town councils these officers are government officials, loaned to the local authorities which bear no part of their salary but pay them only a small monthly travelling allowance. According to circular instructions, issued by the Department of Local Government in consultation with the Department of Health, the medical officer will be under the direct control of the Department of Health in all technical matters while in all administrative matters he will be under the control of the chairman of the council. Most urban and all town councils in their present position cannot take over the cost of the payment of salaries, etc., of these officers. According to circular instructions issued by the Department of Local Government, in consultation with the Department of Health, the functions that a medical officer of health can exercise on behalf of a local authority are many. Among them are the supervision of the conservancy and scavenging services, recommendations regarding water supply, drainage. 1), communicable diseases, maternity and child welfare work, school health work, and the supervision of the work of midwives and public health nurses. His services can be used too under the Housing and Town Improvement Ordinance for reporting on all building applications. The medical officer of health has all the resources of the medical department at his disposal in the event of an outbreak of an infectious disease occurring in the local authority

For obtaining these services the local authority is only required to pass a resolution appointing the medical officer of health an executive officer of the council and placing him in charge of all activities falling under the heads of public health and sanitation. Moreover, the local authority has to provide him with a small monthly travelling allowance.

Great difficulties have been experienced in making local authorities realize their responsibility and functions in the field of health. It seems that the relationship between medical officers and chairmen has never been satisfactory.

According to the Choksy Commission the root cause appears to be the difficulty of deciding the degree of control or supervision that a council has over public health and over the medical officer on the one hand and the sense of frustration that the medical officer of health feels on the other for the reason that, despite circular instructions,

chairman and council continue to act according to their own views in public health matters without giving heed to the technical recommendations of the medical officer.

Village committees unlike the other types of local authorities do not have special functions, powers and duties allocated to them in connection with the maintenance of public health in their areas. Village committees exercise such powers as they choose to in relation to public health purely as permissive functions. The promotion of public health, however, is not as effective as it might be in village areas. The reason why village committees are slower in developing public health is the want of finance and the largeness of their areas running into many square miles at times most of which may be bare and underdeveloped.

3. Public Works Department. Constructs and maintains side drains, traffic signs on P.W.D. roads and undertakes important constructional works of local authorities.

Major water supply schemes and distribution schemes of local authorities are designed and constructed by or under the supervision of the

Water Supply Branch of the Public Works Department.

4. General Treasury. Advice on conditions of service, recruitment of personnel not belonging to the Local Government Service i.e. the "non-scheduled" employees who are not appointed by and consequently not under the protection of the Local Government Service Commission, is sought from the General Treasury.

Local Loans and Development Fund. Operates the fund from which loans are given to local authorities for different schemes undertaken

by them.

6. Government Electrical Department. Advice to local authorities on electricity schemes, tariff and licences.

7. Auditor-General's Department. Auditing of accounts of all local authorities and submission of periodical and annual reports.

8. Department of the Land Commissioner. Acquisition of land for local authorities and vesting of Crown land in local authorities.

- 9. Department of Agrarian Services. Department of Irrigation. Advise local authorities on minor irrigation works and maintains irrigation roads.
- 10. Valuation Department. Does periodical valuations for rating purposes in all local authorities.

11. Department of Elections. General elections and by-elections for election of members to all authorities is done by the department.

12. Legal Draftsman's Department. All subsidiary legislation of local authorities which require the approval of the Minister and the Parliament are prepared by the legal draftsman.

5. c. Community Development and Local Government. 1)

In 1948, the Government launched its rural development programme on an island-wide basis. This scheme initiated by the Department of Rural

1) Sources: 1) "The Rôle of voluntary Groups and Local Government in Community Development" by P.D. Uduwela in United Nations Series on Community Development (May 1959).

2) "Development of Community Welfare Centres in Ceylon", a country monograph published in United Nations Series on Community Organization and Development (1953).

3) "Rural Development in Ceylon", a paper of G.V.P.Samavasinghe published in a study of the United Nations "Public Administration Aspects of Community Development Programmes" (New York 1959).

Development of the Ministry of Home Affairs had a three-fold objective. Firstly, it endeavoured to utilize the interest and energy of rural people by setting up rural development societies. Although quite a number of specific purpose groups or societies such as family and kinship groups, language groups, religious groups, societies attached to temples, etc., were found in the villages, all of them were considered to be too limited either in their aims, objectives and activities or in their membership and influence in the rural community for any of them to be recognized or developed as the main rural agency through which the programme could be operated. In these circumstances it was decided to sponsor an entirely new voluntary organization: the rural development society, with membership open to all adults. in the area, generally on the basis of residence qualifications. Secondly, it sought to ensure that these societies might bring about closer contact between government departments and the rural population. Thirdly, the rural development scheme attempted to co-ordinate the activities of government departments in rural areas and prevent duplication of effort and waste of public funds.

For the achievement of these three objects rural development societies were established to serve a village or a group of villages according to variations in local conditions.

In a district rural development is sponsored by the government agent to whom a senior rural development officer is attached for assistance and advice while in the divisional revenue officer's divisions rural development officers are located.

The suggested aspects of attention and work for a rural development society were:

the economic aspect: the development of agriculture, cottage industries, trade, co-operation, employment, savings, etc. the health aspects: environmental sanifation, personal cleanliness, maternity and child care, milk feeding schemes, etc. the cultural aspect: with special reference to religious and educational activities, fostering of indigenous arts and crafts, etc.

Although the organization of such societies was sponsored by the government it was the people themselves who finally decided whether to organize a rural development society in their village or not.

Government assistance and guidance was mainly directed towards ensuring their democratic organization and functioning. There are now more than 7000 such societies covering the whole of rural Ceylon and which have become the primary medium through which the government carries out its rural development work through both the Rural Development Department and other related departments. 1)

While a rural development society covers a village headman's division, except in cases where the size and population instify the formation of more than one society, a group society covers, as a rule, an area of about 8-10 rural development societies, on an average. The group society has proved a convenient avenue for rural development officers and other

¹⁾ Women take part in the work of the rural development societies although on the whole the men have the predominating influence in these societies. Women have their own organization which co-operates closely with and receives grants from the Department of Rural Development and other government departments. It is called the Lanka Mahila Samitis (Ceylon Women's Society), which has its headquarters in Colombo and branches all over the island. It provides training in house-crafts, hygiene and social welfare work for rural women in order that they may better domestic conditions in the village.

government officers to contact the representatives of the different rural development societies. As many of the problems raised at the local level by rural development societies have a close connection with the areas covered by the group society, it has been found that dealing with them at the level of the group society has been more effective. Moreover, the group societies have taken a keen interest in following up the activities of the rural development societies in their area, particularly with a view to stepping up the work of the weaker rural development societies.

Originally established to help villagers to improve their living conditions by themselves without government assistance, the rural development societies have played an increasing important part in social service provision. The State has recognized this fact by agreeing to provide financial aid to the societies to supplement the self-help efforts of the villagers. On occasions the societies undertake work for other departments than for

the Rural Development Department for which work they are paid.

As essential self-help activities to be pursued by rural development societies may be mentioned "clean up" campaigns, the making of compost, the establishment of co-operative operations to arrange credit and stimulate production, the running of savings and food production schemes. The organization of such activities is considered an essential condition of any so-

ciety receiving government assistance.

Some other important self-help activities are a scheme for establishing conciliation boards to settle village disputes which may result in serious crime among the villagers, to organize volunteer patrols which undertake to protect their village against crime, to create milk feeding-centres to secure a wider distribution of milk and other foodstuffs than before, to open model plots on a co-operative basis, highland and paddy cultivation, etc.

With regard to the provision of public utilities the government makes a financial contribution equivalent to the value of the self-help supplied by the villagers on the project concerned (so called "aided self-help"

schemes). In practice, it is generally less.

Public sanitation has been improved by granting assistance in respect of two major needs of village life - latrines and wells. Rural development halls, community centres, schools and industrial units also qualify for government grants in aid. 1) In the initiation of all these works the government insists on the closest co-operation with government departments or the local authorities concerned, e.g. the Education Department in the case of schools and the village committees in the case of community services. In the beginning the rural development societies engaged themselves in several activities which are the statutory functions of the village committees without even consulting these local authorities. But on the insistence of the government each rural development society will have to obtain first the approval of the village committee in writing to the effect that they will take over the road, well or latrine, as the case may be for future maintenance once the capital works have been completed by the rural development society. It is only after such approval of the village committee has been obtained, that the government releases funds to assist the rural development society in their project. This procedure has ensured that roads constructed by rural development societies have been taken over by village committees for maintenance purposes and even for further improvement at village committees' expenses.

Rural development societies also perform work for government depart-

ments, apart from the Rural Development Department.

¹⁾ A sum of Rs 1,500,000 was made available during the financial year 1957-1958 for assisting development works in the village areas.

So rural development societies are invited by the Land Development Department to undertake the construction of houses in village expansion schemes and in the smaller colonization schemes on the basis of negociated contracts at officially approved rates of pay. By the Department of Irrigation contracts are granted to rural development societies for maintenance and repair work regarding minor irrigation projects.

In some areas rural development societies have been given small contracts by their village committees, which is considered a welcome development in the relationship between local authorities and rural develop-

ment societies.

The granting of government contracts to rural development societies benefits the department concerned by lightening the expense involved, whilst at the same time it enables the societies to make a small profit that can be devoted to improving living conditions in the villages. But apart from the profit and the advantage that this brings to village people, such participation increases the self-respect and the self-reliance of village people.

Other instruments of community welfare service are community welfare centres. Rural development societies are the particular responsibility of the Ministry of Home Affairs and Rural Development. On the other hand community centres, which are the responsibility of village committees on the local level 1), are the special interest of the Ministry of Local

Government and Housing.

Community development depends on local initiative and local initiative depends on local leaders. The leaders who emerge as a result of the manifold activities carried on by rural development societies, work on different levels of education and outlook. As for the most part they are ill-informed there is a clear and urgent need to promote their intellectual development. Therefore, training projects of varying duration and intensity have been undertaken.

An attempt has been made to give village headmen some idea of the

rural development scheme and of their duties in relation to it.

Courses of training in rural welfare, of 2-3 days duration, are conducted at local centres in each divisional revenue officer's division. Village headmen and representatives of societies who attend these courses are given an opportunity, through both lectures and demonstrations, to learn of the services available to the people of the government. They are also given a 6 months' programme of work to be put into operation through their respective rural development societies before attending the next local training course.

Training centres are opened in several districts, where courses of practical and theoretical instruction for periods of 14 days for men and one month for women are given to groups of 50 villages at a time. The entire boarding expenses of the trainees, chosen from among those attending

local training classes, will be met by the government.

These different local training classes have helped to spread more widely through the village or rural Ceylon a knowledge of the island's development problems as well as of the programmes designed for their solution.

¹⁾ The village committee shall be responsible for providing the management of a community centre and for seeing that it is properly managed. When such a centre has been established and it is found that a grant from the central government is necessary for the promotion if its activities, the village committee will make an application to the assistent commissioner for local government, who can make his proposals for the grant of government assistance to the commissioner of local government.

In-service training in principles of community development, rural social organization, group dynamics, etc., is also conducted regularly for the rural development officers at a special training institute under the control of the department of Rural Development and Cottage Industries. This institute, the Fundamental Education Project, was first started in 1951 under UNESCO auspices. Since 1955, it is staffed and financed by the Ceylon Government.

In Ceylon, the launching of the rural development movement has had interesting reactions and developments in the sphere of local government, particularly of the village committees, as it is in their areas that the rural development societies operate. Their areas of operation, however, are not conterminous. A rural development society operates in one village hadman's division or in a subdivision of such a division while a village committee comprises an administrative area of anything between roughly ten to twenty-five village headman's divisions. This may cause that services provided by village committees are not sufficiently tangible and meaningful to the local people, as contrasted with development projects of rural development societies.

When the Central Government sponsored, through the Kachcheri administration and not through the local government authorities, the organization of rural development societies, there was much understandable resentment, distrust and fear that rural development societies would encroach on the legitimate functions of the village committees, being the legally constituted local authorities for the rural subdivisions. There was and to some extent still is a very strong and persistent feeling that as a result of the rural development movement diarchy was created in the village. Moreover, the village committees feel that they cannot compete with rural development societies which are sponsored by the government agent and his staff. They only know too well that the rural masses have got used to turn to the Kachcheri for solution of all their problems as well as for supplying most of their public needs.

The fact that large grants have been given to rural development societies for various types of village works, which are in fact a part of the local government activity, while also assistance from foreign governments has been made available to these societies for road works, etc., but not to the statutorily constituted local authorities are, according to the Choksy Report, examples justifying this fear. It, therefore, proposes that the financial aid which is now being channelled through the rural development department into the coffers of the rural development societies should be

given to the legitimate village committees.

Meanwhile agreement has been reached that a rural development society should not interfere with the responsibilities of a village committee without prior approval. Moreover, the government has settled the dispute regarding allocation of functions between rural development societies and community centres, sponsored by village committees. The provision of reading room and library facilities, indoor and outdoor recreational facilities and facilities for cultural activities, like music, song and dancing, are now explicitly assigned to the community centres. Nevertheless the Choksy Report deemed it needful to recommend that the activities of rural development societies should be clearly defined so that they may not make any inroads into those fields of activities which already fall within the sphere of local government.

The Choksy Commission found that where the chairman or the secretary or other chief executive of the rural development society was either the priest of the temple or the chairman of the village committee, the harmony in the village was unbroken, but where rivals filled these two offices it found the village divided into two factions. The rural development societies often seem to provide a refuge to defeated candidates at the local

elections and tend to make these societies a medium of criticism, whether right or wrong, of the village committee and its activities. This only leads to increase the feeling of rivalry and to create factions in the village.

Examples of successful co-operation are especially obvious in the poorer areas, where insufficiency of funds seriously affects any development scheme. In some areas this problem has been solved by arranging for the local rural development societies to carry out, free of cost to the village committee, such unskilled or maintenance work as weeding and clearing jungle growth, filling up washaways, clearing drains, cleaning wells, etc. This released scarce and limited funds for items of develop-

ment such as building new wells, bridges, etc.

Many rural development societies have also promoted the quicker development of their area by gifting the necessary land free of cost and by giving the village committees, also free of cost, all the unskilled labour involved in constructing new motorable roads to their villages, after previous arrangement that the village committee take over and improve them by provision of skilled work items like culverts or bridges, and thereafter maintaining them. This co-operation makes it possible that products which normally could not be marketed owing to lack of road facilities are now available on marketing centres. As stated above, it also occurs that rural development societies which have the relevant skills undertake village committee contract work within their villages at a percentage cost, thus ensuring both better and cheaper work so that the village committee can utilize its funds for additional works.

In this manner the rural development programme of the government not only promotes quicker and better provision of various public amenities and conveniences, thereby stimulating the development of constructive and democratic civic responsibility, but also promotes better local government, which should be one of the aims of community development. As the success of community development programmes depends to a large extent on the strength of local governing institutions, especially on their ability to maintain many of the facilities established through community effort, there cannot be laid too much emphasis on this essential part of community development. But then one must be aware of the fact "that the legally constituted democratic institution of the village, the village committee, can quite rightly feel that it is being sidetracked and is losing its appointed place in village society", as the Choksy Report puts it. 1) which is just contrary to the purpose of community development.

6. Central control

Central control over local authorities which is necessary to prevent local government from conflicting in its activities and aims with the wider purposes of the nation is specifically dealt with in each of the ordinances governing local authorities.

Some of the forms, except financial, which central control may take, are:

- a. dissolution of the local council;
- b. the power to call for statistics and make inquiry;
- c. the power to order necessary work to be done, and to enforce such order;
- d. the power to make regulations;
- e. the power to approve by-laws;
- f. the power to inspect books;
- g. the power to appoint staff and control their conditions of service.

¹⁾ Choksy Report, p. 72.

Central control is also exercised administratively, besides the forms provided for by statutes. The kinds and degree of control over the various types of local authorities are nof uniform.

Municipalities

The Department of Local Government and Housing has supervisory control over the working of municipal councils. The commissioner of local government tenders advice on important issues and guides these councils to ensure their proper administration.

If it appears to the minister that a municipal council is either "not competent to perform, or persistently makes defaults in the performance of any duty or duties imposed upon it, or persistently refuses or neglects to comply with any provisions of the law" he is empowered to dissolve the municipal council by an order published in the Gazette. Thereupon the council ceases to have the power to exercise, perform, or discharge any of its functions, powers, duties or privileges conferred or imposed upon it or vested in it by the Municipal Councils Ordinance or any other law. A special commissioner can be appointed to perform and discharge all the duties, functions, etc., of the dissolved council, or of the mayor. Alternative provision is needed to direct that a new municipal council be constituted.

If in the opinion of the minister a council is omitting to fulfil any duty or to carry out any work imposed upon it by any law, the minister may notify the council that unless the council shows cause to the contrary within fifteen days, he will appoint a special officer to enquire into and report to him the facts of the case, with the necessary recommendations. If the municipal council fails to comply with a ministerial order, in this connection the minister is authorized to direct the mayor, or to appoint any other person to discharge the duty or work at the cost and expense of the municipal council concerned. The minister can even levy any tax or raise a loan for the purpose of defraying the cost of fulfilling that duty or carrying out that work.

Moreover the minister has the power

- a. to vary the boundaries of any municipality or of any ward of a municipality;
- b. to vary the number of councillors prescribed for any municipal council;
- c. to dissolve a municipal council and direct that it shall be replaced by a new council to be constituted in accordance with the provisions of the ordinance, when it appears to him to be expedient to do so, upon any variation of the limits of the municipality for which the dissolved council was constituted.

The minister can also require any municipal council to furnish him with any extracts from any proceedings of the council or of any standing committee, or to call for statistics connected with the income or expenditure of the council, which has to comply with these requirements.

The approval of the minister is necessary before municipal councils can embark on some of their important activities. No by-laws made by a municipal council for the purpose of carrying out the principles and provisions of the ordinance can have effect until they have been approved by the minister and confirmed by the Senate and House of Representatives. Similar provisions also apply to urban councils.

In various ordinances the minister is given the power to make or approve regulations for the purposes of those ordinances. In some cases decisions are subject to an appeal to the minister. Provisions of this type seem to be

few and far between.

In actual practice only once a municipal council has been dissolved, which has happened to the Colombo Municipal Council some years ago. However,

ficers holding scheduled posts are a stringent form to exert influence on local authorities.

Urban Councils

H

There are thirty-six urban councils established throughout the island over which the degree of supervision and control exercised is closer than that exercised over municipalities.

Provisions exist for the removal of a chairman from office, for removing all or any of the members of the council or finally for the dissolution of the council if in the minister's opinion there is proof of:

- 1. persistant refusal to hold or attend meetings or to vote or to transact business;
- 2. neglect in the performance of duties;
- 3. disobedience or disregard of the directions or recommendations by the minister or the commissioner of local government;
- 4. incompetence or mismanagement;
- 5. abuse of powers.

In the case of dissolving an urban council a special commissioner is appointed to administer the affairs of the dissolved council. The power to dissolve a council was exercised in the case of a few councils, most of which have been reconstituted. In case of constituting a new urban council, the minister can give directions to enlarge or reduce the number of members and the limits of the council.

The minister can order to make inquiries into any duty or work in which the urban council has made default, into any matter concerning public health or regarding any matter that requires his approval or consent. He is also empowered to make general rules of procedure for the guidance of councils.

The minister or commissioner of local government may bring to the notice of the urban council any measures, which in their opinion ought to be taken within the town in the interest of public health. They can also bring to the notice of an urban council any general question of administrative policy which the council should co-ordinate with the general policy of the central government. Moreover, the minister or commissioner of local government are authorized to inspect buildings, call for and inspect books and request an urban council to furnish statements, accounts, and reports and copies of documents relating to the proceedings of the council.

Although the Local Authorities (Enlargement of Powers) Act has removed the necessity of urban councils to seek the sanction of the minister or the commissioner in several matters which in the past had been specifically reserved for such approval, there is a greater contact provided for between urban councils and the central authorities than is the case with municipal councils. This can probably be accounted for by the fact that in regard to many of the more important activities and functions of urban councils such as housing, water supply schemes, slum clearance schemes and electricity, the assistance of the Department of Local Government is necessary particularly for obtaining financial assistance, whether by way of grants or loans. The necessity for closer contact has increased further because of the need of urban councils for the services of departmental officers such as investigating officers for the purposes of advice and assistance regarding office organization and accounting problems.

More or less constant contact is also maintained through correspondence on various matters with the department on questions that arise regarding omissions or departures from the numerous provisions of the law, regulations, etc., which relate to the activities or urban councils.

Town Councils

There are forty-four town councils, established throughout the island which are subject to more or less similar powers of supervision and control as urban councils.

As contrasted with urban councils the minister can require previous sanction of the commissioner of local government to a town council entering into a contract involving expenditure exceeding Rs 2,000.- for the execution of any work, or the rendering of any service or the supply of any goods and material.

The Local Authority (Enlargement of Powers) Act also broadened the measure of autonomy of these local authorities, although they have been established only since 1947. So far there has not been a single instance where a town council has had to be dissolved for any reason whatsoever.

Village Committees

The greatest degree of supervision and control exercised over local authorities in Ceylon is over village committees, for the very reason that village committees, being a rural type of local authority, do not generally have and cannot therefore fall back upon the services of as experienced a body of members as municipalities or urban councils. Having not much staff (a village committee usually has not more than one clerk or two at the most), it has to depend considerably for guidance on the Central Government. The number of village committees on the island was increased to 407 in 1958.

The general provisions found in the other ordinances for the dissolution of councils and the removal of chairmen or members are also found in the Village Committee Ordinance, with the attendant consequential provisions.

The minister's approval for by-laws made by the committee, the grant of powers to the munister to make rules for regulation of procedure of elections, land tax, finance, etc., are some of the other checks exercized by the minister.

Besides there are many forms of supervision and control generally exercized by the assistant commissioner of local government in charge of the region.

So the approval of the assistant commissioner (subject to an appeal to the minister) is necessary in every case where a resolution or decision is related to the purchase, sale or exchange of any land or building, the lease of any immovable property handed over to the committee, the creation of any salaried office, scale of salary, or rate of subsistance or travelling, etc. Moreover, there are detailed provisions for supervision and control over various aspects of village committee administration.

By the Local Authorities (Enlargement of Powers) Act of 1952, some controls exercized by the assistant commissioner have been removed, but the minister in his discretion can declare that the provisions of this "decontrol" shall not apply to any village committee.

In a few instances village committees had to be dissolved, whilst a number of chairmen had to be removed from office and of quite a lot of village committees the expenditure has had to be controlled again by the assistant commissioners of local government.

7. Financing of local activities

a. Own financial sources of local authorities

The local authorities are empowered under the different ordinances to levy a rate on the annual value of immovable property within their boundaries which has been duly assessed. For town councils the rate may not exceed nine per cent of the annual value of any immovable property.

A village committee is authorized to levy a land tax which consists of either or both an assessment tax (not exceeding six per cent of the annual value of buildings within declared built-up localities), and an acreage tax (not exceeding fifty cents a year on each acre of land which is situated outside a built-up locality and is under permanent or regular cultivation of any kind, other than paddy or chena cultivation). Buildings which are used for purposes connected with or incidental to the cultivation of the land on which they are situated or for residential purposes of any person engaged in the cultivation of land are exempt if the land is already subject to an acreage tax. Land or buildings used for religious, educational or charitable purposes, and certain other specified purposes, are exempt from both the assessment tax as well as the acreage tax. Agricultural land, to be subject to the acreage tax must be of the extent of five acres or upwards.

The sanction of the minister is required before any council (committee) makes and assesses any property rate or rates, which rate or rates, however, cannot exceed in the aggregate the maximum rate or rates determined from time to time by the minister.

Local authorities may levy a tax on vehicles and animals. Motor driven vehicles are licenced by the Central Government and refunded to the local authorities. The vehicles and animals tax is an annual tax on vehicles and animals specified in a schedule of the different ordinances and may not exceed the respective amounts mentioned in these schedules.

An entertainment tax is leviable on public performances at the rate fixed by the councils and committees under the Entertainment Tax Ordinance.

Trade licence fees are leviable for the issue of annual licences to eating houses, tea boutiques, hotels, restaurants, lodging houses, bakeries, dairies and in respect of premises where dangerous and offensive trades are carried on. Licence fees on private markets are also recovered.

Stamp duties and licence fees collected by the Central Government from residents of the local authorities under the various ordinances, are refunded to the local authorities. Some of these ordinances are the Auctioners and Brokers Ordinance, Petroleum Ordinance, Boats Ordinance, Firearms Ordinance, Poisonous Drugs Act, etc.

The other local sources of revenue are:

Slaughter house fees,
Pounding fees,
Conservancy fees,
Market stall fees,
Motor Bus Stand fees,
Hire of Town Hall,
Burial fees and cremation fees,
Water service connection fees,
Rent of water meters,
Cost on warrants,
Registration of dogs,
Posters,
Rents from Council lands and building,
Judicial Fines.

b. Central Government Grants

Local authorities necessarily have to rely on financial assistance from the Central Government, which consequently must exercise a certain measure of control. There are no statutory provisions regulating the award of Government grants although the ordinances concerning local authorities do refer to financial assistance from Government. Nor are there provisions relative to the manner and circumstances in which the Government may

The first regular grant is the so-called block or general purpose grant based on population and average revenue over a certain period. The acceptance, in 1958, of the Choksy Commission recommendation regarding the calculation of the block grant, has led to considerable increase in the grants thus paid.

A new principle was introduced in the case of municipal, urban and town councils, in that these councils will have the grants reduced in case they do not recover a stipulated sum by means of rates. This will penalize councils that have fortuitous sources of revenue such as liquor licence fees, entertainment tax, rents, etc. Councils that allow rates to run into arrears will also suffer a deduction. The Government has also decided that a deduction should be made in the case of councils that have been given special

grants such as for housing and water. 1)

Secondly comes the grant towards payment of cost of living allowance and special living allowance for local government personnel. By this grant the Central Government underwrites the additional salary costs due to the adoption of national standards. The Government was prepared to give grants to local authorities towards the payment of these allowances provided among others that local taxation was reasonably high and that the affairs of the council were satisfactorily managed. Since these conditions have been followed, government grants have been paid from year to year to all types of local authorities. This grant is by far the highest and most important regular grant.

Other important grants are grants in lieu of abolished taxes (capitation and opium tax), in lieu of rates on Crown properties and in lieu of licence

duty on motor vehicles.

Specific grants are given for maternity and child welfare sources. There is no fixed basis on which assistance is given to local authorities. The amount voted by Parliament annually is divided among the urban and town councils and village committees by the Minister of Local Government and Housing on the recommendations of the medical officer of health, the commissioner of local government and the permanent secretary.

Specific grants for slum clearance and housing schemes are given on

the following basis:

two-thirds of the estimated cost to municipal and urban councils (Colombo municipal council gets fifty per cent); three-fourth to town councils and the full estimated cost to village committees.

The full cost of the housing schemes for workers in the bigger towns is met by the Government to which the local body has to refund the equivalent of nine months rent.

Regarding water supply the Government pays the cost of new schemes, including, if necessary, the cost of laying pipelines up to the limits of towns, but the local authorities have to bear the cost of the internal distribution. Fifty per cent of the cost of approved extensions for augmentation schemes is met by the Central Government. The full cost of minor schemes is paid by the Government, which also meets two thirds of the cost of surface drainage.

Specific grants are also given for playground and community centres

and for public libraries.

In rural areas the Central Government allows grants for the extension of village works, village wells, ayurvedic (indigenous) dispensaries and for conservancy and scavenging services. No definite amount is voted in any year nor is the amount voted for any year decided on needs. It is decided by the Government after considering its policies and priorities for the year. The amount voted by Parliament annually is distributied among the village committees as decided by the minister; after considering the

applications of the village committees and the recommendations of the regional assistant commissioner, the commissioner of local government

and the permanent secretary.

Grants are indeed a very important ingredient of local budgets: on the average for municipalities they constituted 30%. The smaller local bodies are even more dependent on grants: on the average for urban councils 54%, town councils 50%, and village committees 61%. These last are greatly the reflection of the failure to develop adequate sources of local revenue. 1)

Municipal councils are empowered to raise loans for development works and other projects from the Local Loans and Development Fund on the recommendation of the commissioner of local government.

Urban and town councils and village committees have similar powers on the security of rates and taxes with the necessary limitations, laid down

in the different ordinances.

Although local authorities as a rule can borrow up to ten times their average annual income, the total amount given by way of loans from the Local Loans and Development Fund to local authorities is far less. In principle local authorities can borrow from sources outside the Local Loans and Development Fund, but actually no local authority borrows from any other source mainly because other lending institutions require a quicker repayment and charge higher rates of interest. They also require a primary mortgage of the rates of such authorities or a primary mortgage of immovable property. However, where money has already been borrowed from Government, the rates use to be subject to a primary mortgage in favour of the Government so that this opportunity seems to be useless.

The councils borrowing powers need the sanction of the minister for their exercise, unless the amounts sought to be borrowed are less than

certain prescribed maxima.

c. Budgets

The chairman of a municipal, urban and town council and of a village committee shall, each year, on or before such date as is fixed by by-laws of the council (committee), submit to the council (committee) a budget for the next succeeding year containing

- a. the details of the proposed expenditure set out in items under appropriate heads:
- b. an estimate of the available income from sources other than rates:
- c. an estimate of the rate or rates necessary for the purpose of providing for the proposed expenditure.

Whenever necessary, a supplementary budget is submitted to the council (committee).

The chairman is entirely responsible to the council (committee).

Every annual or supplementary budget of the local authorities must be published in the Gazette in the form in which such budget is finally settled and adopted by the council (committee).

The budgets need no approval of higher authorities. They have, however, to be submitted to the commissioner of local government. Annual and supplementary budgets of urban and town councils are subject to the control of the commissioner, where in the opinion of the minister, the financial position of the council makes control desirable.

Before the Local Authorities (Enlargement of Powers) Act of 1952, a village committee could not spend a sum exceeding Rs. 100 out of the communal fund of any work, scheme or project without the sanction of

the assistant commissioner of local government. Since then freedom of expenditure has been given. However, the Act of 1952 has provisions enabling the minister in his discretion to virtually reimpose the limit of Rs. 100, when he considers it necessary to impose the control.

d. Audit

There are two main ways for controlling the funds of local authorities. The first way is internal and is available to the local authority itself. By means of it the local authority can ensure that all monies are properly received and disbursed. This can be effected by the rigid observance of its own financial regulations which are generally framed with the approval of the central government. In these regulations the local authority possesses an efficient means of control of its own finances. Certain provisions of the law operate as internal control. For example there are provisions in the relative ordinances for requiring the mayors of municipalities and chairmen of urban and town councils to prepare a detailed report of the administration of the council during each financial year. Regarding village committees the ordinance requires the commissioner of local government to prepare and transmit to the chairman of each village committee a report containing a survey of the affairs of that village committee in each year by way of instruction. There is also a provision in the Urban Councils Ordinance making it obligatory for the commissioner of local government to prepare and publish annually an administration report and a review of the work of all urban councils in Ceylon. Although there is no legal requirement to do so the commissioner of local government includes also reports on the working of town councils and of village committees. That report and review have to be placed before Parliament and is published as a sessional paper.

The second, the external method is the audit. Audit not only sees to it that the internal controls through financial regulations are properly applied, but also examines the legality and regularity of the collection and expenditure of the revenues and funds of local authorities. Every item in the accounts of a local body which is contrary to law has to be disallowed in audit and surcharged on the person making or authorizing the making of the illegal payment; every loss or deficiency caused to a local body by the negligence or misconduct of a person has to be charged against such person and every sum which ought to have been but is not brought to account

has to be charged against the person responsible.

The provisions in relation to appeals from surcharges and their enforcement are not the same for all local authorities. Municipalities and village committees have an appeal from a surcharge to the minister only, and not to the Supreme Court, as an alternative to an appeal to the mi-

nister, which is enjoyed by urban and town councils.

The auditor general is the auditor of the accounts of all local authorities in Ceylon. This arrangement is of very great advantage as under it the audit of local bodies is in the hands of an independent officer of high status possessing powers necessary for safeguarding the funds of local bodies. The constitutional position of the auditor general makes him immune to influences, which may sway local or national affairs and enables him to perform his statutory functions impartially and with firmness.

The Colombo Municipality is in a special position since a section of the auditor general's officers is attached to the office of this council to carry out a continuous audit. The other local authorities are required to forward monthly statements of accounts to the auditor general's office in Colombo where they are examined. Such examination is supplemented by visits of inspection by officers of the auditor general in the course of each year to the officers of the various local authorities, where all books and accounting records are examined and a detailed audit of accounts is carried out.

For the services that the auditor general renders to the local authorities fees are chargeable, but the fees recovered do not cover the expenses incurred in carrying out the audit. The Choksy Commission has recommended that as audit is a form of desirable control over local bodies which is exercised by the Central Government, local bodies should not be charged any fees for the auditor general's services. This recommendation awaits consideration by the Central Government.

The main criticism placed before the Choksy Commission by the local authorities regarding the present system of audit was that audit inspections were not frequent enough and that action by audit came too late to be effective. While there was some truth in the criticisms at the time they were made, the picture has now completely changed, due to the creation of a separate division in the Auditor General's Department with specialized training for audit of local bodies. There is now in operation a prompt audit of accounts and annual audit reports are issued within a short period of the receipt of the annual statements of accounts from the local bodies. Judged from the increase in disallowances and surcharges, the audit is not only prompt but also effective. It used to be the practice for all urban and town councils to publish their accounts unaudited for fear that they may not be published at all if such publication was to await completion of audit. Due to the prompt audit, accounts are now being published only after the auditor general has certified them; this improvement has not entailed any delays.

Complaint had been made to the Choksy Commission that local authorities were often asked to answer audit queries three or four years after the actual transactions had taken place and the officers and staff concerned had left on transfer, not to say anything of the difficulty of tracing the required documents and papers relating to those ancient transactions. Local authorities are no longer asked to answer written audit queries as all points arising from the audit are in the first instance discussed verbally and only

important matters are committed to writing thereafter.

There is no local body however small which does not now have the bene-

fit of at least one audit inspection a year.

Although only the Municipal Councils Ordinance contains a requirement that the auditor general should make an annual report on the accounts of each council, it has been the practice for the auditor general to make an annual report on the accounts of each local authority (excepting village committees). This report is brought up for discussion and considered by the local authority at a meeting soon after its receipt.

8. The Local Government Service

Prior to 1946, the local authorities had the complete control over their employees. Each of the different local authorities in Ceylon recruited its own staff and determined the salary, or salary scale of each of them, subject in certain cases to the prior approval of the commissioner of local government. The result was a diversity of salary scales, allowances and privileges, which varied considerably even in local authorities of the same type or status. There was no appeal from the decision of a local authority to dismiss its officers and servants; its power to appoint and dismiss was unfettered. For a number of years complaints were heard from all sides with regard to the existing unsatisfactory methods of recruitment, promotion and dismissal of employees, in the service of local authorities. Charges of nepotism, political patronage, etc., were frequently levelled against local bodies. Another complaint was the lack of incentive to capable officers to do their utmost in a service, which, because it was not transferable, did not offer promotion.

To improve the prospects, conditions of service and efficiency of employees in the local authorities special attention was given to a schem for a unified local government service, directed from the centre, but working in close contact with local bodies. This led up to the enactment of the Local Government Service Ordinance in 1945 of which the main features are:

- 1. The constitution of the local government service by the transfer to the service of all officers and servants who were on duty of local authorities immediately prior to April 1st, 1946, including persons recruited centrally thereafter. To this service belong about 8,000 persons. This number is steadily increasing with the admission of new recruits. Besides there are roughly seven thousand "non-scheduled" employees, i.e. those not appointed by and consequently not under the protection of the local government service commission, employed in local authorities, of whom about five thousand are daily paid. They are not included in the local government service but are to some extent subject to central control.
 - In the beginning these employees were also transferred to the local government service. However, in view of the representations made by the local authorities and the practical difficulties in administration, it was decided to exclude from the constituted unified source all daily-paid employees in local authorities and those monthly paid officers whose salary did not exceed a maximum of Rs. 1, 200 per annum in a municipal or urban council and Rs. 480 per annum in a town council or village committee. The Local Government Service Ordinance was accordingly amended. 1)
- 2. The establishment of the local government service commission with the commissioner of local government as ex-officio chairman and 8 other nominated members, representing various organizations. Each nominated member holds office for a period of three years.

 In this commission are vested full powers re methods or recruitment conditions of employment, appointments, promotions, transfers, dismissals, interdictions, disciplinary action, examination, classification of posts, fixing salary scales and allowances, establishment of Provident Fund, Widows' and Orphans' Pension Fund and other matters connected with the administration and discipline of the service.

 All appointments to scheduled posts, i.e. posts in local authorities appearing in schedules of the Local Government Service Ordinance, whether temporary or permanent, have to be made by the commission.
- 3. Salaries and allowances approved by the commission are payable by the local authorities. It is their duty to give these employees employment and to pay them salaries and allowances prescribed.
- 4. Members of the service are in a unified transferable service, subject to the condition that those recruited on an area basis are transferable within that area only.
- 5. No member of the service can be dismissed or otherwise punished except in accordance with the provisions of the disciplinary regulations, after due inquiry has been held. An order of dismissal requires the approval of the majority of the members of the commission.
- 6. All new appointments are made on a pensionable basis. The pensions and gratuities of members of the service are remitted by the local authorities and paid by the commission.
- 7. The power vested in local authorities to appoint, dismiss or remove its officers and servants has been transferred to the commission.

Regulations for prescribing the procedure relating to appointments, transfers, etc., which the commission is empowered to make, delegate an amount of disciplinary power to the local authorities and to the mayors and chairmen of such bodies.

I) In the Eastern and Western Region of Nigeria a Unified Local Government

Under these regulations internal transfers of the office of the local authority can be made by the mayor or the chairman. In minor disciplinary cases, powers are vested in the local authority to impose punishment not exceeding reprimand, fine not exceeding one week's pay, suspension, stoppage, deduction and deferment or increement for a period not exceeding one year. Interdiction of officers has been delegated to the mayors and chairmen of local authorities subject to the approval of the commission. Vacancies are not filled as a matter of course but the commission has to consult the local authorities whether the vacancy need to be filled.

Recruitment to the various grades of the unified local government clerical service and to posts in the technical grades in the local government service is made through open competitive examinations which are held annually by the commission. The commission also holds efficiency bar examinations and tests annually for officers in the various clerical and technical grades in the local government service.

The creation of a unified local government service and the establishment of the local government service commission seem on the whole to be successful.

By central recruitment of officers with high standardized qualifications the local authorities are provided with an efficient staff which means less personnel, resulting in a saving on expenditure. The members of the council are relieved of the unpleasant task of being pre-occupied with appointments and salary questions so that they will have more time to devote on the question of policy re the improvement of amenities of their area.

For the members it means security, better prospects, promotion and appointments, transferability to higher posts, a fair deal in all disciplinary matters and last but not least a unified pension scheme with a Widows' and Orphans' Pension Fund for their dependants.

However, one of the main complaints of chairmen of local authorities seems to be the fact that they are responsible for the administration of the council but that they have no say in the type of officer who is appointed to work in the administration. Further, that there is a good deal of red tape. It often seems to take a long time, before vacancies are filled. Another serious complaint of the chairmen seems to be that they often have to work with a staff which is not properly trained. Officers in the clerical grades are for the greater part youth just out of school with no training whatsoever, and with very little experience of work.

The training schemes that the local government service commission has organized appear to be mainly for technical grades. The administrative and clerical grades do not appear to get any training. In respect of village committees the assistant commissioner of local government organizes training classes for village committee clerks, lasting two or three days on each occasion, but these efforts are too superficial to be of any lasting or real value.

Quite apart from the unified local government service stands a public service for central government officials, headed by a public service commission. Incidentally, officers belonging to this public service can be loaned to local authorities for special purposes.

Both commissions act closely together.

9. Evaluation

From the preceding description it will be apparent that Ceylon has been richly endowed with local authorities. Practically the whole island is covered with a network of elective councils. It seems hard to maintain, however, that on the whole they have been responsible or efficient.

One of the main reasons seems to be that a great many of the local bodies are too small to be efficient. Some of the town councils, for instance, have populations of less than 2,000.

Most councils complain that they do not have a sufficient range of powers and duties to make council work worthwhile. Obviously also the government

considered these powers as insufficient, for in 1952, a Local Authorities Enlargement of Powers Act was passed, however, with no noticeable result. The range of actual services undertaken by most of the local authorities is indeed very limited and is practically confined to elementary sanitary services and minor roads, which is not stimulating the interest of the people in local affairs. Primary education, for instance, which usually greatly arouses the interest of local councils, does not belong to the responsibility of local authorities in Ceylon. In this country education has always been, and still is, a highly centralized service. Local bodies have no say whatever in its organization in their own areas, and, consequently, no responsibility for its finance.

In general the functions of local government were not enlarged to keep pace with social and economic development. It looks as if the central government is mostly interested in controls, queries and inquisitions. Central departments rather increase their powers and influence, instead of strength-

ening local government by a sound policy of decentralization.

For this phenomenon the still prevailing Kachcheri system may serve as an illustration. Before the establishment of the present system of local government it would have been obvious to have transferred these local government functions from the Kachcheries. This did not happen, however, and today the local authorities claim more and more that various duties and functions performed by the officers attached to the Kachcheries should be turned over to them. But in spite of this growing tendency in Ceylon today to eliminate the Kachcheri system, an increasing number of field organizations of various central departments has been set up under the direct or indirect supervision of the government agent, which unavoidably tends to weaken the authority and prestige of the local authorities.

Another factor which may not be favourable to strengthen local government seems to be the working of the separate community development organization with its community development societies. These societies are more or less the channel of the government agent and his officers, often fulfilling tasks which are properly the functions of local authorities. This may bring about that the influence of these bodies get undermined and that the people lose faith in these institutions and resort for aid to bureaucratic organizations. Moreover, community development societies are endowed with funds

which village committees badly need.

For practically all the local authorities poverty of finances is the most serious problem, they are confronted with. For several reasons which cannot be discussed here, there is a distinct poverty of local revenue 1), which has to be compensated by grants from the central government. It seems, however, that the grant system in Ceylon forms no adequate basis for development. Total grants paid to local authorities do not exceed 4% of central government revenue. Although these grants present a considerable percentage of the local budgets, since the local budgets themselves are so small, they are far from sufficient.

Moreover, the grants, such as they are, do not sufficiently stimulate local activity. To serve this purpose grants must be certain and they must be continued long enough to enable the local authorities to base their long term planning on them. In Ceylon, however, grants often depend on annual Parliamentary discussions, which makes planning and phasing by the local authorities exceedingly difficult. Besides that, the allocation of some specific grants depends only on the minister's discretion, which is not conducive to certainty, since political considerations often turn the scale.

Loans do not play an important rôle in strengthening local government finance, since it appears that the monetary authorities of the central government.

ment are reluctant to sanction loans.

¹⁾ Cf. Ursula K. Hicks, pp. 162-164 and 333-334.

The Choksy Report contains many interesting recommendations to improve and to strengthen local government. Two of them may be mentioned here, namely to set up superior councils which would presumably be responsible for some 400,000 population. Since the existing councils are so very small there would seem to be a good case for this. It would offer the occasion to transfer the Kachcheri system into a tier unit of local government.

And further, the suggestion to make a better use of the cadre of assistant commissioners of local government whose rôle was envisaged as that of "guide, philosopher, and friend" of the village committees, rather than as that of a critic. At the moment their duties appear to be mainly confined to the improvement of village committee administration and little use is made of them in regard to the working of other types of local government. Their duties should be extended to advise also urban and town councils on office and financial management. Given the basic weaknesses of local authorities in Ceylon it would seem of the utmost importance that the Minister of Local Government and Housing should do his best to give them all the advice and help he can. In this connection the suggestion of the Choksy Commission seems a sound one, especially since it is not the practice of ministry officials to visit councils. Assistance and guidance of the central government are indispensable to raise the standard of present local government in Ceylon.

ISRAEL

1. Introduction and Geographic Situation

Israel is situated in the continent of Asia, close to Africa and Europe. It forms a narrow strip on the southeast coast of the Mediterranean sea, about the size of Massachusetts; its population is over two million people. 1) The area of Israel is about 8,050 square miles, 280 miles in length and of varying width. North of Tel-Aviv the country is only 12 miles wide and its greatest width - 70 miles - is south of Beersheba. It has a coastline of 158 miles, while its landborder is 591 miles, bordered by Lebanon in the north, Syria in the north-east, Jordan in the east, Saudi-Arabia in the south-east, Egypt in the south-east.

It seems interesting to consider Israel within the scope of this study, since in this country, aspiring to be a link between the eastern and western world and an instrument of international understanding, various interesting experiments have been made by central government agencies to assist local authorities. Its population is both eastern and western; its economy both socialist and capitalist. The fact that the nation has been built by immigrants brought about that its institutions and values have been fashioned by Jews gathered from scores of countries of varying culture and political and economic status.

As a whole Israel falls neither in the category of less developed area, nor in that of economically more advanced regions, but it may be viewed as a semi-underdeveloped, semi-industrialized country.

2. Constitutional Structure

As was pointed out in Part II of this study, an important step to strengthen local government would be to incorporate special provisions dealing with the position of local government in the Constitution. Israel, however, does not have a written constitution as yet. Although the adoption of a written constitution was originally envisaged, it appeared that this opinion has changed. It was generally felt that the time had not yet come for such an important step, since the development of the young state was still in flux. Consequently, it was urged that there should be a greater measure of consolidation before a written constitution was framed.

On the other hand, there were arguments in favour of the early enactment of a written constitution. It was pointed out that a written constitution would form a bulwark of democratic freedom and would enhance the authority and stability of the country, since the constitutional framework would not be easily amendable by parliamentary majorities and would, therefore, constitute a safeguard for minority rights. Moreover, it was claimed that a written constitution would have an educative effect both in shaping the political mentality of the people and in training the youth of the country in the modes and habits of democratic government.

The result was an interesting compromise. It was decided in principle to adopt a written constitution, which, however, should not be enacted immediately. For the time being only a number of fundamental laws were to be passed and these would finally be consolidated into a written constitution. The ratio of the decision was to fix the target while not imposing upon the country

¹⁾ Census of May, 1961.

during its period of growth the restrictive framework of a rigid constitution. It was envisaged to enact a series of basic laws to be tested during a formative period in which all kinds of constitutional urges and practices might spring up. In the light of the experience gained a written constitution would be enacted. 1)

3. Development of Local Government

a. Historical trends

In the development of local government in Palestine two phases are clearly distinguishable: the closing decades of the Ottoman rule and the thirty years of British rule. During the first period local government was viewed within the general framework of provincial and local government administration throughout the Arab provinces of the Ottoman Empire.

The British legislation on local government was taken over by the Jewish State, but important changes suited to a sovereign state, were introduced.

Local government and democracy in Israel have not been imposed from without. From the very beginning the new Jewish community life in Palestine had enjoyed institutions of political, economic, educational and local selfgovernment. Since Mandatory times there have been at work two systems of self-rule to develop the Yishuv (the Palestine Jewish community). On the one hand there was the gradual evolvement of the socalled "national" institutions: the Zionist Executive of the World Zionist Organization, the Knesset Israel (Assembly of Israel), with its central institutions: the Assefat Hanivharim (Elected Assembly) and the Vaad Leumi (Jewish National Council). These institutions took upon themselves to guide the development of the National Home as a whole and to represent the Jewish community of the entire country. In actual practice they served not only religious communal purposes, but also furthered the promotion of the political affairs of the Jewish population. The local government heads endeavoured in all possible ways to obtain greater independence for Jewish local government which they regarded as the foundation "par excellence" for future Jewish independence. At the same time the local bodies participated in the struggle between the Government and the Jewish population for the existence and development of the latter.

Moreover, a significant training in the art and responsibility of self-government was provided by the experience of the co-operative settlements in the countryside. In Israel, therefore, local government antedates the establishment of the state by many decades.

Under the Ottoman Regime, before the British mandate, local government in Palestine was insignificant; measured by modern standards it was non-existent. The only tasks which the Turks entrusted to the local authorities of the country were the removal of refuse and the illumination of a few

¹⁾ Also in Africa a gradualist device - i.e. the interim constitution - has been used. This device rests upon the assumption that interim constitutions gradually establish both the procedures of constitutional government and the public's understanding of them. When the permanent constitution is eventually written, the public will have come to share attitudes and beliefs about government and its functions to a degree which permits the resolution of conflicts by constitutional means. (David E. Apter & Robert A. Lystad, Bureaucracy, party and constitutional democracy; an examination of political rôle systems in Ghana, in: Transition in Africa, Studies in political adaptation, edited by G. M. Carter & W. O. Brown (Boston 1958), p. 17.

main streets. By the end of the Ottoman Regime there were 22 municipalities in Palestine, some of which were situated outside the area of the present state of Israel.

The establishment of the British mandate over Palestine caused a considerable change in local government affairs. Article 3 of the Mandate for Palestine provided that "the Government shall encourage local self-government as far as circumstances may permit". In fact, the Mandatory Government did take steps to develop local government. In 1921, the British created a new type of local authority for smaller areas, i.e. the local council. During the mandatory time the following ordinances, dealing with local government, came about: Municipal Corporations Ordinance (1934); Local Councils Ordinance (1941) (preceded by the Local Councils Ordinance of 1921); and the Village Administration Ordinance (1944). Municipalities were established in large and medium sized cities, local councils in small towns, and village councils in rural settlements.

However, thirty years later when mandatory rule came to an end, the degree of development achieved was only moderate. The number of local authorities in Palestine was very small (24 municipalities and 38 local councils), of which 8 municipalities and 20 local councils were situated in the area of present Israel, as well as 2 village councils and 4 local authorities bearing the character of regional councils. The tasks entrusted to these local bodies never exceeded the framework of those elementary functions without which local government can hardly be said to exist at all. Even in the exercise of these limited powers municipalities and local councils were subject to the strict control of the District and Central authorities.

However, the Jewish municipalities, first and foremost Tel-Aviv, did not submit to the hamstringing policy of the Mandatory and systematically established their own organs and institutions, even though in doing so they went beyond the limits imposed upon them by the central authorities. Not without justice the Jewish municipal authorities of those days regarded themselves as the first building stones of the Jewish State which was then developing. In fact, for the Jewish population of the country the Tel-Aviv municipality signified in many ways the microcosmal State. Larger cities particularly objected to, and often refused to comply with, the rules requiring approval of the Government to perform minor tasks. Local officials had little respect for the legal requirements of central approval and supervision and took particular delight in circumventing them.

The abnormal conditions of development and growth to which the country's local government structure was exposed until the establishment of the State inevitably left their mark. The indifference to law engendered by the mandatory system proved an obstacle even after the founding of the State.

Even at the end of 1955, it was reported by the State Comptroller - who has certain controlling tasks in local government - that local authorities often exceeded the powers given them under the law:

"in many of the local authorities taxes, fees, and charges are collected at rates different from those approved in the by-laws, or have not yet been approved in by-laws; expenditure is incurred without appropriate budgetary approval; public works are executed without calling for tenders."

(State Comptroller of Israel, Annual Report No. 6, Jerusalem, December 1955, p. 247).

b. Types of local authorities

The following list shows the increase of the number of local authorities in Israel:

type of local authority	1948	1960
municipalities	8	24
local councils	20	104
regional councils	4	50
village councils	2	0
	34	178

Municipality

A "municipality" is generally speaking a town of over 30,000 inhabitants, except for some ancient cities which have kept their municipal status for historic reasons.

During the Ottoman regime only cities were given the status of municipalities in Palestine. All administrative matters in small towns, colonies and settlements were handled by the Mukhtar 1), appointed and trusted by the central government. When Palestine came under the mandate after World War I, the municipalities continued to function according to the Ottoman municipal law until the Municipal Corporations Ordinance was published in 1934, by the Mandatory Government. This Ordinance was published in 1934, by the Mandatory Government. This Ordinance came about after it was attempted in vain to draw up one Local Government Code. In 1932, such a bill was submitted to all interested organizations. On account of the criticism it was decided to forego the opportunity to enact comprehensive local government legislation and to concentrate on the municipalities. The Municipal Corporations Ordinance constituted a high mark of local legislation during the mandate. In its most important provisions it did not vary considerably from the Ottoman enactments which it superseded.

In the Municipal Corporations Ordinance the detailed competence of the municipalities are given in the body of the text itself, while from time to time the Ordinance is extended over a new area in the country.

It seems mainly to be a matter of prestige to become a municipality. There is a steady development of local councils into municipalities, e.g. Herzlia and Eilat were founded as local councils, but recently became municipalities.

Local Council

A "local council" is a smaller town or village. Most of the local councils combine a varying degree of agriculture and industry. Their land is generally privately owned. In the newly established towns in development areas the land generally belongs to the state. There are 104 local councils.

In 1921, the Local Councils Ordinance was enacted. It was a short, one page law which was rather restrictive and made the local council entirely subservient to the District Commissioner. It stipulated e.g. that the High Commissioner on recommendation of the District Commissioner concerned might declare that any large village be administered by a local council. A subsequent amendment in 1934, also provided for the possibility of one local council administering a group of villages, presumably in order to enable smaller places to combine and achieve local council status. However, for 20 years little use was made of this provision.

Following complaints, a new local councils ordinance was enacted in 1941, which effected some improvements in the old ordinance, but still left rather close control in the hands of the District Commissioner.

The Local Councils Ordinance has been patched and repatched to bring it up to date. It is still a brief document providing that a local area may be

^{1) &}quot;mukhtar" = "appointed", to act as representative of the settlement.

organized in accordance with a special Order which lists the authority and

tasks imposed on a given local authority.

The Local Councils Ordinance empowers the Minister of the Interior to issue Orders. Under this power the Minister has issued local councils Orders A and B, dealing with larger and smaller towns respectively. Order A which applies to about 70 local councils gives more power, while the Ministry of the Interior intervenes less than in the case of those local councils to which Order B is applied.

In the meantime councils which existed in mandatory times have become municipalities, while many settlements which had no status at that time have

become local councils.

Regional Council

Before the enactment of the Regional Councils Order of 1941 - which is based on the Local Councils Ordinance 1941 - there was the Village Administration Ordinance of 1943, which provided for the setting up of village councils under the chairmanship of the Mukhtar, who was the nominee of the District Commissioner. This ordinance contained so many restrictions that the Jewish villages found they could make no use of it. In fact only 40 such village councils were set up out of 500 villages in mandated Palestine. When in 1948 the state of Israel was created only 2 village councils were listed as local authorities, while none was listed in 1958. However, at present there are 50 regional councils, while the total population of the regional councils is about 250,000.

Legally, regional councils are ordinary local councils, with the difference, that the area of each one covers several settlements, each of which enjoys a certain amount of internal autonomy. In these villages or settlements the land is generally the property of the Jewish National Fund (a Jewish national body which holds the land in trust for the Jewish people) or State domain, and is occupied on long term leases, renewable every 49 years. A majority of the villages included in regional councils are organized on a co-operative basis.

The component units of the regional council

The regional council is, therefore, a kind of roof organization of which the villages and co-operative and collective settlements constitute the com-

ponent units.

The villages have village committees representing the village. The village committee chooses its representatives to the regional council. Either the committee, or a third of the registered inhabitants reserve the right to transfer the election of the village's representatives to the regional council to a general meeting of the inhabitants, where again every permanent inhabitant over the age of 18 has the vote.

The collective and co-operative settlements are a special kind of village,

organized on a collective or co-operative basis.

These settlements existed long before the structure of the regional council was created. The original settlements were founded in the last 20 years of the 19th century by individual small farmers from Russia and Rumania who received generous financial support from Baron Edmond de Rothschild. It was their ambition to be farmer-proprietors and they regularly employed Arabs at a low wage.

In the early years of the 20th century small groups of Jewish intellectuals began to come from eastern Europe who were determined to work as agricultural labourers. They were dominated by the ideas about communal ownership and co-operative living, inspired by a Jewish philosopher who preached

and lived the religion of work on the soil.

With the help of the Jewish National Fund, they formed before 1914 several small co-operative and collective settlements in Galilee. This was made possible by the establishment of the National Fund in 1900, by the Zionist Movement with the aim of acquiring land for Jewish agricultural settlements. Since 1948, hundreds of these co-operative agricultural villages have been founded.

Forms and organization of agricultural settlements

From the beginning there were two forms of agricultural settlement, the Moshav Ovdim and the Kibbutz or Kvutza. The Moshav is a co-operative of small-holders where each family works its holding, without employing outside labour. Each family has its own home, earns its own income, while credit, marketing, etc., are organized through co-operative societies of which they are members. Sometimes a Moshav starts out as a Kfar Avodah, a village of agricultural workers, whose main occupation is clearing stony land in the hill district, where terracing and clearing is necessary to prepare the land for cultivation.

Since the end of World War II a new, intermediate form of settlement has been tried out, i.e. the Moshav Shitufi, or co-operative village on a collective basis. This form was designed to combine the family home with the collective principle. It was favoured by the ex-soldiers of the World War and the War of Independence who yearned for family life. The co-operative settlements, the Moshav, the Moshav Shitufi, the Kfar Avodah and the industrial and consumers' co-operatives owe their original inspiration to the Kibbutz. The experience of Israel has demonstrated the power of the co-operative principle in developing poor communities under difficult conditions.

The Kibbutz is a communal agricultural settlement, in which the whole of the property, excluding the land is owned by all the members, who pool all their resources and provide all necessities out of a common fund. The members have no private property, while babies and children are looked after by the community. The guiding principle of the Kibbutz is: from every man

according to his capacity; to every man according to his needs.

Both forms of settlements - the Kibbutz and the Moshav - developed rapidly after World War I, when the immigration of socialists increased and an important factor in the World Zionist Movement was formed by socialist parties. There is a difference of opinion about the size of the settlement which is believed to be the best. One body, mainly the "Kvutzot", regards a society of not more than one hundred members as the ideal, so that they feel themselves a large family - another believes in the expanding Kibbutz, which might grow to one or two thousand.

Today 90,000 people live in 226 Kibbutzim and Kvutzot throughout Israel and the Kibbutz-movement has become a most successful experiment in complete and voluntary socialism. The Kibbutz provides the strongest ideological drive in Israel. Although it can be said that in this country there was no choice - that it was not a matter of group settlement versus individual settlement, but that it was a matter of group settlement or no settlement at all - the Kibbutz is being studied by socialists and leaders of the new states of Africa and Asia looking for solutions to their social, economic and agricultural problems.

The Kibbutz has adapted many of its original ideas to meet a changing world. Some solutions to problems of fifty years ago have proved too drastic for the world of today. Thus, in those days, people did not even own their clothes, but drew them indiscriminately from the laundry. Today most Kibbutzim concede a member the right to a certain amount of personal furniture, clothing and effects. But it must be emphasized that the principle of equality

is maintained.

The Kibbutz is "governed" by all the members sitting in general meeting. Problems are decided by discussion and vote, the decision of a majority prevailing. Once a year the general meeting elects management committees to deal with the day-to-day life of the community. These deal with the management and organization of the various branches of the farm, finance, the allocation of manpower, education, culture.

During the first decade of the Mandate, i.e. between 1920 and 1930, the Moshav was the popular form, while the more complete communal life of the Kibbutz was still regarded as a daring experiment. But between 1930 and 1950, the Kibbutz has been a popular instrument for the "conquest of land". The motive force has been in every case the idealism of the members of the

group, and not a government policy.

In the first two years of the existence of the State of Israel, when the main inflow of immigrants came from Europe, the Kibbutz remained the popular form of agricultural pioneering. But during the last few years the favour has shifted to the co-operative settlement of small-holders. This form of settlement is more in accord with the wishes and traditions of the oriental Jews, now constituting the major part of the immigrants, who cherish the close family life and are unwilling to abandon all private property.

It is interesting that although only a small percentage of the population of Israel lives in the collective and co-operative settlements described above, the ideology and idealism of this movement is a living force in this country.

The functions of the regional council

The council consists of representatives of the settlements within the regional council's area. In each settlement there is a local committee enjoying powers similar to those of the regional council within the latter's area, including the authority to levy rates. This form of local government is particularly suited to labour settlements and farm villages.

Competences are divided between the regional council and the committee in such a fashion as to ensure that the higher authority of the entire region deals with all the affairs concerning local government of the region as a whole, whereas the local committee constitutes the authority within the area of the settlement and in all that affects the settlement. The committee has the right of appeal to the Ministry of the Interior in respect of any activity on the part of the regional council which, in the committee's opinion, is detrimental to the interest of its own settlement.

It could have been feared that the members of the regional council, representing the component villages would be parochial in their approach and would tie up the council in inter-village rivalries. Experience has shown,

however, that the system has worked without undue friction.

The division of functions between regional councils and villages is not static, but fluid. Especially during the last few years significant changes took place, when new development areas were opened up and immigrants were settled in numerous new villages. The co-operative and collective settlements had jealously guarded the right to have their own village school, arguing that they also trained the children to perpetuate their co-operative outlook and way of life.

The question was of no special significance for the new immigrants. They were not imbued with co-operative ideals as were the earlier settlers. The newcomers were in need of training in practical things like farming, village

organization, marketing their produce, etc.

It was a natural development that the regional council stepped in and built schools which were to serve groups of villages. A scheme of regional settlements was evolved whereby a group of villages had a centre in which the school and other public institutions were established. Economy in school costs en-

abled the villages to raise the standard of education. In this way the task of providing education passed to a growing extent from the villages to the regional councils.

The same trend is noticeable concerning the growing demand for water for irrigation purposes. Now that agriculture is intensified through more and more irrigation, the burden of providing an adequate water supply passes from the villages to the regional councils. When water problems cannot be solved locally, the solution is provided by regional or countrywide pipelines bringing water from deep wells, springs, reservoirs, etc., by the national Water Company "Mekoroth".

The increasing irrigation and cultivation of the soil caused a growing concern with drainage. Drainage could no longer be organized by one village and became the duty of the regional council. In its turn the regional council became the prime mover in urging more attention for the drainage problems, which resulted in the promulgation of a law to provide for drainage and the prevention of flooding in 1957. Under this law, drainage boards were set up, banding together regional councils, local councils and municipalities in "drainage areas", which will be referred to later.

The regional councils branched out into various forms of trading and fostered the introduction of packing houses, conserves and the processing of agricultural produce. They therefore started to set up, with the encouragement of the Ministry of the Interior, co-operative societies of the villages which undertook the development of inter-village agricultural services and farm industries. The area covered by the co-operative development societies is the same as that covered by the regional council. This combination often enables a poor regional council which might otherwise not be able to afford a decent engineer, accountant, etc., to raise the level of its services.

Sometimes several regional councils band themselves together to set up a local town planning commission which covers the area of several regional councils, often together with neighbouring small local councils.

At times two or more regional councils are amalgamated into one regional council. Also the boundaries of regional councils may be changed to make possible the representation on the council for new settlements.

c. Local authorities in the villages of the minorities (i.e. the local authorities of Arabs and Druse)

Since the establishment of the state of Israel it has been the policy of the government to encourage and expedite the establishment of local government bodies in all parts of the country, especially in the villages of the minorities. The government granted the local authorities of the minorities all powers required for the provision of services, carrying out development projects, such as the construction of roads, building of schools, public parks and gardens, etc., and encouraging education, health and social welfare.

About half of the minority population is now included within the local government framework of Israel, i.e. in two municipalities and twenty local councils.

Numerous measures have been taken which had a great effect on life in these villages, e.g. electric light, schools, approach roads and education. Many public health institutions provide effective medical services, such as government hospitals, the Workers' Sick Fund of the General Federation of Jewish labour, the Hadassah and other Sick Funds and the dispensaries of the local government authorities. Two health centres have been set up to serve village groups in Arab regions, at Tira Village and at Baq'a Gharbia. These centres serve the local and neighbouring populations.

Large scale public works are carried out jointly by the Government and the local authorities. These consist chiefly of the construction of approach

roads and internal roads within the villages. Also the laying of pipelines for the supply of water - both drinking water to the houses and for the watering

of the fields in villages.

Since 1948, the State Comptroller has a special section for the control of the local authorities of the minorities within the Department for the control of local authorities. Also the Ministry of the Interior has a special division to provide guidance to the minorities, which provides i.a. training courses for Arab council secretaries, bookkeepers, accountants and cashiers, as well as for the council members themselves. This division gives special attention to explanatory information and guidance for local authorities of the minorities by means of oral explanations, tours of villages, informative circulars in Arabic, publication of articles in newspapers and broadcasting of lectures and information in the Arabic programmes.

A committee has been established to explain matters of local government which tours the villages from time to time, organizes lectures and talks accompanied by questions and answers in order to explain the benefits to be derived from the existence of local government. Explanatory information in writing is prepared and explanatory booklets are issued including information about the activities of the Arab local authorities and chapters for guidance in financial matters, the drawing up of budgets, collection of taxes, legal problems and instructions from the Ministry.

Recently a co-ordination committee for development works in the settlements of the minorities has been set up. Its tasks will be to assist in the long-term planning of undertakings and public works and the financing of ex-

penditure.

Members of the Council of the Municipality of Haifa often visit the Municipality of Nazareth to offer advice and assistance in improving municipal

services and methods of management.

During the last few years the situation in most local authorities of the minorities has considerably improved. The average per capita revenue from rates has slowly but steadily increased and the local authorities of the minorities have begun to include in their budgets such development projects as: setting up water works, installations of electricity, etc. In carrying out these projects they have been aided by grants and loans received from the government and by allocations for "initiated works" (unemployment relief projects), which they utilize for the development projects.

d. Co-operation between local authorities

Following the establishment of the state of Israel it was found necessary to secure co-operation between local authorities and also to maintain common services with a view to improving local government administration in many respects.

The Municipal Joint Authority Law was enacted in 1955, for this purpose. This law made possible an efficient and economic operation of certain services by co-operation of several local authorities in a given region through a central executive body composed of representatives of the authorities, par-

ticipating in the municipal joint authorities.

These joint authorities provide such services as hospitals, veterinary services, prevention of rabies and other pests, field services for the economic use of water, public laboratories, secondary education, major sewerage works, etc. A form of joint authority in which the regional councils participate is the municipal authority for fire-brigades. These have been set up in 1960/1961, following a law recently passed for this purpose.

Co-operation of this kind is maintained in respect of vital services such as drainage, water supply, secondary education, hospital services, and fire brigade services. Special orders have been issued by the Ministry of the In-

terior for the purpose of securing the establishment of such joint authorities in various parts of the country. However, these authorities are not empowered to levy rates directly on the inhabitants of the local authorities concerned. A levy is imposed on each local authority, that is a member of the joint authority.

A law to provide for drainage and the prevention of flooding was published in 1957, providing for the establishment of Drainage Boards; by an Order promulgated by the Minister of Agriculture. Such Boards may include areas of Municipalities, Local Councils and Regional Councils.

e. Settlements which have not reached the status of a local authority

Since the establishment of the state of Israel a complete change in the relations between the central government and the local authorities came about. The government of Israel encouraged every village to acquire a status within the framework of local government. Since that date nearly all the villages in Israel have acquired such a status, whether as local councils governing one village, or as component units of regional councils.

Before that time local government status was not a very desirable one, since it implied very few rights to government assistance, but a great deal

of government intervention which was not very welcome.

Since 1948, however, the desire to cover the whole country with local authorities has come to expression in the setting up of many new local councils and regional councils and the expansion of the areas of existent local authorities. At present there remain only a small number of villages, nearly all Arab, most of them poor hill villages, which could not be convinced of the advantages of becoming a local authority.

Notwithstanding these efforts to complete the establishment of local authorities in all parts of the country, there still remain about 100 villages, most of them small Arab hill villages, which have not yet achieved the status of a local authority. The main reason for this state of affairs is their small size and also the lack of incentive to organize and run a local equncil with the burden of taxation which setting up a council will entail.

There are Beduin tribes or encampments, mainly in the Negev, who are still nomad to a certain extent. In order to ensure contact with these tribes, and with certain small foontier villages, mukhtars are appointed. The mukhtars serve as representatives of the tribe or village for all official business.

With regard to these settlements which have no status as local authorities a special committee, set up for that purpose, has prepared recommendations to fit them into the framework of a local authority either by annexing them to an existing local authority or by constituting a new one.

4. Local government functions

The main activities of the local authorities may be grouped into four categories: administration, local services, extra local or state services and local enterprises. Administration includes the tax administration and other general administrative activities. Local services are those managed wholly by the local authorities without specific guidance from the government. They include sanitation facilities, planning and construction activities, maintenance of public buildings, parks and roads and agricultural services in rural areas. State services are those functions that are financed partly by government grants and administered in its behalf. The local authorities have to provide such central government services as education, social welfare, health and

religious affairs, accounting for a large part of their budget. Local public enterprises include water works, maintenance of public markets, municipal housing schemes and other similar undertakings.

The expenditure on the budgets of the local authorities is roughly divided

as follows:

administration	10%
local services	30%
state services	42%
local enterprises	11%
miscellaneous	7%

The many tasks required of local authorities since the establishment of the state which bears the aspects of a welfare state have necessitated constant expansion of municipal services. This expansion finds its expression in the budgets of the local authorities which are steadily increasing. Many non-compulsory services are undertaken by the local authorities, some by enterprises which operate on a non-profit basis. These activities include such services as afternoon-clubs for boys to keep them from going astray, or to counterinfluence bad conditions at home, school-clubs, sporting games, operation of playgrounds.

Also included are cultural activities such as evening schools for adults, free lectures on such subjects as music, art, religion, and trips to various parts of the country, such as Eilat or Galilee to give people the opportunity

to see something of their own country at greatly reduced prices.

Taken together it may be stated that the purely local services should be run autonomously, and paid with the resources of the local authorities. On the other hand, the state services have to be executed in a unified way in cooperation with the government. It is natural that there should be co-ordination and subordination in this field. The central government contributes a large share of the expense of these state services, as will be explained in Section 7 below.

It may seem doubtful whether the state services should be considered as a service of the state government to the local authorities or whether by executing these services the local authorities assist the central government in carrying out its tasks. In Section 7, dealing with the tasks of the various ministries in the field of local government a number of these services will be mentioned.

5. Sources of income of local authorities

The revenue of local authorities is divided into five categories:

taxes.

income from services rendered by local authorities, income from services rendered by national authorities, income from utilities.

contributions from the government and other bodies.

The local authorities receive income from various services, such as: veterinary services, health and sanitation services, building permits, etc.

Income from services rendered by national authorities include mainly: kindergarten, secondary school and evening school fees, supply of study material for schools, child feeding projects, etc. To this category also belong contributions of relatives to various welfare projects for the needy and for the maintenance of children in educational and medical institutions, as well as payment for the hospitalization and medical examinations in hospitals and clinics run by municipalities.

Income from utilities includes payment for the water supply, fees for transport services, rent for market stalls, payment for housing, etc.

Contributions from the government include: payment of teachers' and kindergarten teachers' salaries, financial participation in the maintenance of secondary schools and educational projects, of social welfare and health services, and a general grant from the Ministry of the Interior.

6. The Central Government Agencies dealing mainly with Local Government

Although the Ministry of the Interior is the main department dealing with local government, the development in Israel has been such that other central agencies, including the State Comptroller are also playing an important part in the functioning and development of local government.

a. The Ministry of the Interior

The Mandatory Administration of Palestine never had any central office dealing specifically with the local authorities. These authorities had to deal with half a dozen different departments, the treasury for their budget, the legal department for their by-laws, the departments of health, police, education and public works, etc., for their sanitary services, their watch, licensing services, schools, etc., and with the District Commissioner for everything else. At the very end of the Mandate an adviser on local government was actually appointed, but this adviser never really established himself.

In the new state of Israel the ministry which is generally responsible for the weal and woe of local government is the Ministry of the Interior, while local government constitutes one of the main tasks of this ministry. This ministry is divided into two large units: the Head Office and the District Administrative Offices. The Head Office comprises the offices of the Minister, the Directorate General and five Administrative Divisions: administration, local government, town planning, immigration and naturalization and registration of population.

The Head Office determines the Ministry's general policy and line of action, while the District Offices supervise and carry out the various ministerial services.

The division of local government

The task of the division for local government is to extend the scope and the functions of local government, by encouraging and developing local government. Its policy is to assure the financial and administrative position of existing local authorities, to foster local government and to supervise its activities under the terms of the Municipal Corporations Ordinance and the Local Councils Ordinance and other laws and regulations pertaining to this sphere of public life.

The division for local government comprises 6 departments: i.e. a department to advise local authorities on finances and budgets; for audit and financial supervision; for regional councils and settlements without municipal status; for minorities; for general affairs of municipalities and local councils; for guidance and training in municipal affairs. If this list of departments which shows the activities of the division for local government - is compared with that of 1955, it appears that at that time the departments of audit and of training were not included. This demonstrates the growing concern of the Ministry of the Interior with its tasks of giving guidance to the local authorities and supervising the accounts and finances of local authorities.

It seems that among the most important services to be rendered to a local authority, should be mentioned the establishment of the local authority, while the central government can also assist the local authority with administrative activities and statutory enactments. In a developing country like Israel the establishment of new local authorities is a common occurrence. The establishment of a new local authority, or its annexation to an existing local authority are matters of policy entrusted to the Ministry of the Interior. However, it is provided by law, that if a given population wishes for any reason to organize itself into a local authority in a given area, the Minister of the Interior shall appoint a Committee, at least one member of which is not to be a government official, to hold an inquiry in the region to ascertain the desires of its inhabitants, and to submit a report to the Minister. After examination of this report, the Minister is authorized, taking into consideration the opinions expressed by the committee and the inhabitants, to approve the establishment of the desired local authority.

However, the Ministry of the Interior may also abolish existent local

authorities, following the procedure described above.

In the following other services of the Ministry of the Interior are considered:

Personnel

It is understandable that in a young country like Israel the civil service system is still in a state of development. For one thing the civil service has grown both in number and responsibility faster than it has been possible to train employees and to devote attention to considerations of operating effectiveness and ethics. One of the main difficulties is the heterogeneous background of the members of the Israeli public service. Under the Technical Administration Assistance programme a training programme was established with the help of foreign experts, to solve the problem of providing some training in public administration to the older executives and of ensuring a steady flow of professionally trained young men and women into management positions. This programme included: the development of the activities of the Institute of Public Administration including a programme of studies in government and political science at the Kaplan School of Economics and Social Science, Hebrew University; and the development of training within the civil service, and of training in office management and clerical work.

It is understandable that the circumstances described above also play a part on the local government level. During the years various attempts have been made to ensure a uniform scale of salaries for all personnel employed by local authorities, adapted to the wage scale of civil servants, in order to avoid that the central government becomes a competitive force in drawing personnel into its service. However, it has been revealed by the State Comptroller that various local authorities deviated from the maximum grades determined, adding to their employees' wages increments either by according a higher title or status than the actual position required or by payment of special remuneration.

The activities of the department for guidance of the local government division are especially directed at the smaller local councils and regional councils inhabited by recent immigrants. Regional conferences for discussion and explanation are organized. Experts travel to the various localities to discuss the problems on the spot. These problems are mostly of an administrative or financial character. Experienced members of the staffs of the big cities are sometimes asked to instruct other local authorities.

Guidance is provided in several ways: study groups, seminars lasting for one or more days. Employees of local authorities are invited for study of special problems. This is done in various centers of the country, i.a. in

Beersheba, Haifa, Acco. This happens also on a regional level, e.g. the secretaries of one area discuss problems such as the improvement of collection of taxes, public relations. The central government pays the costs of the instructors, the local authority pays the costs of food, accommodation, etc. The initiative for these study days comes generally from the central government. Sometimes a request is made by the local authorities: e.g. for instruction on the upkeep of gardens. There have been courses for gardening, repair of water pipes, accountancy.

There are also several training activities: courses for ministry and local authority personnel, i.a. courses for secretaries of regional councils, courses in public relations, powers vested in the Ministry of the Interior, the procedure to be followed in registration of inhabitants and the simplification of office methods.

On the whole it seems a practical method to use municipal experts to help solve the problems of other local authorities as was described above.

The department for the local authorities of the minorities has a special training programme to guide the councillors and local employees, not only in legal matters, but also in work procedures, e.g. training courses for Arab council secretaries and cashiers are held. Study conferences are held for members of the Arab councils, while study days are dedicated to problems of planning and development, problems of sanitation in villages of minorities, etc.

The guidance department also made contact with the three big cities, which are trying to find their own way. In 1960, there was a meeting with people of the guidance department and people of the three big cities, as a personal initiative to discuss the matter. It was decided to maintain this contact and to exchange programmes and views on various subjects.

The general attitude of the central government to local government as stated by the guidance department is of importance. This attitude at present seems to be that the department knows best and has a broader outlook. In its opinion it cannot let the local people make mistakes and it tries to prevent this. Although this may constitute an attitude which is little helpful to strengthen local government, the general impression is that much is being done, both on a formal, but especially on an informal and personal basis to render the needed assistance. And the guidance department seems an excellent forum for matters which have come up, since the information flows from the local authorities to the ministry.

Several officers of the local authorities were selected by the Ministry of the Interior for overseas study tours in public administration and local government finance. In collaboration with other ministries, staff members of local government went abroad to take courses in sanitation, public administration and finance, while staff members of the Head Office of the Ministry of the Interior went abroad to study under the U.S. Technical Cooperation programme.

The Bureau for Municipal Research and Statistics

This Bureau was set up in 1959 in order to collect and correlate statistical information on the finances of local authorities.

The Bureau conducts yearly surveys of the budgets of the local authorities, and issues annual reports on their financial situation, on the basis of annual summaries of their income and expenditure and profit and loss accounts; a survey of local rates and taxes, the burden of indebtedness incurred for development budgets; a breakdown of costing for various services; and conducts inquiries into the efficiency of municipal operations; it also publishes monographs on specific local authorities covering all their municipal activities.

Legal advice

The Ministry of the Interior approves by-laws of local authorities and other regulations. Although there are differences between a large and a small local authority and an old and a new one, the ministry endeavours to achieve the maximum amount of uniformity in by-laws. To that end a number of model by-laws have been prepared, for example by-laws dealing with water supply, signs and advertisements, pedlars, preservation of cleanliness and prohibition of smoking in public places, collection of donations, etc.

Town planning

In 1951, the Town and Country Planning Department and the Planning Department in the Prime Minister's office were amalgamated and attached to the Ministry of the Interior. The task of this Planning Division includes physical planning of the country on a national and regional scale with a view to achieving a balanced distribution of the population, siting of urban and regional centres, communications network, industrial regions and recreation areas, co-ordination of development plans throughout the country; guidance of local and detailed planning operations; advising government and public bodies and the building and planning commissions on problems, etc.

There are two categories of planning dealt with by the centre in Jerusalem, national and regional planning and local planning. Since the establishment of the state the division has prepared schemes for scores of urban centres and towns.

Financial aid

The Ministry of the Interior makes extensive grants and allocations to the local authorities, the total grant being subject to negotiation between the Ministry of the Interior and the Ministry of Finance. The local authorities receive specific government grants for education, social welfare and religious needs. In addition, a sum is yearly allocated as a general grant-in-aid by the Ministry of the Interior. For the distribution of financial grants-in-aid the local authorities are divided into a number of categories, while the following factors were taken into consideration: the economic and financial condition, sources of revenues and the number of immigrants settled in them. In addition to these grants a special allocation was made in consideration of the burden placed upon local authorities for emergency works provided for new immigrants.

Loans

Each year the Ministry of the Interior distributes among the local authorities loans for development projects from the government Development Budget. These are distributed for the following purposes: sewerage, water, electricity projects, telephones, roads and pavements, municipal gardens, miscellaneous municipal projects (markets, slaughterhouses, etc.). Various measures have been taken to ease the financial condition of the local authorities, e.g. an agreement was made between the Treasury and the Ministry of the Interior for the prolongation of the period of repayment of the development loans.

Bonds

To enable the local authorities to carry out urgent development projects, which were outside the financial scope of annual development budgets, it was decided to issue jointly bonds of local authorities. These bonds are issued with a treasury guarantee, with an interest of $6\frac{1}{2}\%$ and are redeemable during a period of 10 years.

Local budgets

The Ministry of the Interior reviews and approves local budgets, including both proposed expenditures and estimated revenues for ordinary and development activities. The Ministry has promulgated rules governing the preparation of budgets and the maintenance of accounts on a uniform basis. These measures were intended to encourage more realistic revenue estimates and to eliminate irregular operations. They would also assist the Ministry of the Interior to exercise efficient control and the State Comptroller to conduct effective audits of local government activities.

Taxation inquiry

In view of demands for an increased contribution by the Government towards local government expenses, an inter-ministerial committee was appointed in 1956, composed of representatives of the Ministries of the Interior and of Finance to inquire into the financial relations between the government and the local authorities, general grant-in-aid to local authorities and general services of local authorities, the raising of funds for development, debts and deficits of local authorities and proposals for consolidation.

Local Government Council

In 1956, the Minister of the Interior appointed a local government council, composed of members representing the government, local authorities and public figures. The task of the council is to advise the ministry in everything concerning the activities of the local authorities and it has been charged with the preparation of a draft of a new local government code. The council has four permanent committees: (a) legislation, (b) taxation, (c) municipal services, (d) audit and guidance.

Considering the general trend of the activities of the Ministry of the Interior in the field of local government, some critics have remarked that the Ministry of the Interior has more power than it needs to play a constructive rôle in developing effective institutions of local government. It seems, however, that the Ministry of the Interior and especially the guidance division is aware of its task to guide the local authorities in order to let them become effective bodies of local government.

b. The State Comptroller

The State Comptroller is the supreme control authority in Israel. Its activities are based on the State Comptroller's Law, 1958 (consolidated version).

The State Comptroller is responsible to the Knesset alone and not to any Ministry, nor to the Cabinet or the Government as such.

On February 19th, 1958, the Knesset passed an amendment to the State Comptroller's Law, which include the following major provisions:

- a clarification of the general definition of the State Comptroller's functions, stressing the fact that control activities comprise not only the economy of inspected units but also their administration;
- 2. a certain widening of the group of units to be inspected so as to include not only the State's subsidiary companies, but also those of local authorities and government corporations.
- 3. the ways and means of dealing with the findings of control after defects and infringements have been revealed;
- 4. the manner of publication of reports, statements of opinion and findings of control.

Under the provisions of the law the State Comptroller is appointed for a period of five years by the President of the State upon the recommendation of the House Committee of the Knesset.

The State Comptroller's functions are to control the finances and administration of the state. His office comprises departments dealing with the control of ministries, state enterprises and institutions, local authorities; enterprises, institutions, funds or other organizations in the management of which the government participates or which receive governmental financial assistance; and any other organization or individual placed under his control either by law, by decision of the Knesset or by agreement between them and the government.

During the 13 years since the establishment of the state the position of state control has been gradually strengthened. In fact, the State Comptroller succeeded the Audit Department of mandatory times which had been subject to the Colonial Audit Administration of the Colonial Office in London. Control functions of the Audit Department were limited to auditing the revenue and expenditure accounts of the government departments, the railways and the local authorities. With the establishment of the state the legislature and the State Comptroller took as their model to a considerable extent the work methods and experience of State Comptrol Authorities of other democratic countries. However, it was clear from the outset that state control in a young state like Israel would differ from that in a country with a long tradition of statehood and a homogeneous population. In Israel state control comprises all local authorities, an arrangement claimed to prevail in only a few other countries. Moreover, local authorities are also subject to inspection. Characteristic of state control in Israel is the extent of control work in every sphere. In most countries, the main functions of State Comptrol Authorities are to examine accounts, cash in hand, the maintenance of state property, the maintenance of stores and stocks of ministries and state enterprises, and the legitimacy and orderliness of the revenue and expenditure of those inspected bodies. In Israel the State Comptroller has to perform two additional control functions which in other countries are either not within the sphere of activities of the control authorities at all, or are only so to a limited extent; namely, to examine the efficiency and economy of the work of bodies subject to his inspection as well as their moral integrity. The main results of the control work are summarized in the State Comptroller's Annual Report, which is yearly laid before the Knesset.

The State Comptroller's control is in the form of a "post audit". He takes no part in the process of expending State funds at the stage of execution of payments. There are indeed wide spheres of his work in which the distinction between "pre-audit" and "post-audit" has no real significance. In particular, there is no possibility of distinguishing between these two forms when one is concerned with an examination of economy and efficiency, or with the preparation of recommendations for rectification of defects or of requests for reforms. There is, however, one factor common to all spheres of control: the State Comptroller has no executive powers or judicial, enabling him to instruct the Government machine how to act.

The rapid development of local government and the increase of the number of local authorities, 34 in 1948-1949 and 178 in 1960, brought in its wake a corresponding expansion of control activities in this sphere. In 1958, the State Comptroller decided, in view of the development in the settlements of the minorities, which was marked by the establishment of new local authorities and the expansion of their services, to create a special section for the control of local authorities of minorities, within the Department for the control of local authorities.

One of the functions of this special section would be to devote special attention to the instruction of these authorities of minorities in matters pecu-

liar to them in the sphere of local government. The need for such instruction was particularly felt in those local authorities where the benefits of local government had not yet been sufficiently realized. In the past, the services of local authorities of minorities have been extremely meagre, and their revenue from rates has been very low, in comparison with other local authorities in the country.

Inspection and control

In the fiscal year 1959-1960, the Departments for the control of local authorities carried out a general inspection of 101 local authorities, of which 18 were municipal councils, 52 local councils, and 31 regional councils. In the three larger municipalities - Jerusalem, Tel-Aviv and Haifa - permanent teams have been operating, ensuring continuous inspection throughout the year. In addition to general inspections, special examinations of certain spheres of activity were carried out at 32 local authorities.

In the reports of the State Comptroller on the results of the general inspection performed in each of the local authorities, the activities of the local authorities in the various spheres are reflected in the light of control. The reports deal with administrative subjects: the council, its committees, the staff, financial administration and accounting, maintenance of property and stores; they describe local and state services, enterprises and development projects, they enumerate and when necessary explain details of the budget, the assets and liabilities account, revenue and expenditure, taxes and their collection.

These topics were examined from the legal, financial and accounting stand-points and from the points of view of efficiency, economy and probity. Special attention is often paid to the collection of rates, financial and accounting procedures, the issue of building permits and the methods of supervision employed to prevent unlawful building.

It is the intention of the State Comptroller to guide and teach those who do not know how to keep accounts, etc., in the course of the control work. This guidance is mostly restricted to clerks and accountants. It does not extend to the elected council. The reports are submitted to the mayor and the councillors and will finally be laid before the finance committee of Parliament. Since the establishment of the state, the State Comptroller's Office has published 328 reports on the findings of control in the various local authorities.

It is the State Comptroller's aim to ensure the general inspection of each of the local authorities in a rotation of once in three years. Sometimes this is done on the request of a local authority if things do not work smoothly. The State Comptroller has recently issued a report about the supervision of building in Tel-Aviv, on the request of the mayor. Also a report was brought out about the Haifa railway. It appeared after checking every aspect that the railway was operated inefficiently, i.a. working with a great amount of overtime; too few trains during rush hours and too many during the rest of the day.

Every control is based on inspection. An inspection of a local authority is consecutive for weeks or months, in small councils this is done by one or two people. The big councils are inspected by teams of between 2 and 6 people. One examines bookkeeping, one accounting, one social welfare, education, building and development.

In 1959, the department for the control of local authorities carried out a general inspection at 89 local authorities (18 municipalities, 41 local councils, 30 regional councils). In the three larger municipalities permanent teams from the State Comptroller's Office have been operating ensuring continuous inspection throughout the year. General inspection comprised the various spheres of activity of the local authorities. The findings of these inspections are brought to the notice of the local authorities concerned. The

main findings are included in the State Comptroller's report on the local authorities concerned and the report is submitted to the chairman and members of the council of the local authority, to the Finance Committee of the Knesset, to the Ministry of Finance, and to the Ministry of the Interior.

To demonstrate the importance of the work of the State Comptroller for the local authorities, some of the activities are examined more closely.

Special examinations

In 1957, special examinations of the following subjects were made: the methods of collection of rates, fees and other revenue in 13 municipalities and local councils. The three standard methods of collection examined were: collection by direct payment at the local authorities' offices, collection by collectors and collection by means other than cash payments, such as crediting of contractors and suppliers. In 19 municipalities the maintenance of property was examined; the organizational structure in 8 local authorities; the maintenance of stores in 5 local authorities. The results of these examinations are significant not only for the authorities inspected, but also for the local authorities throughout the country.

The Office of the State Comptroller attaches special importance to the furtherance of proper relations between the civil service and the public. In 1954, a comprehensive operation called "State services and the public" was performed, in the course of which 198 "points of contact" between the administration and the public were examined. In 1955, this activity was extended to include the three larger municipalities (Jerusalem, Tel-Aviv, Haifa). A renewed examination revealed a certain improvement in the methods of informing and guiding the public.

In 1959, special examinations of certain spheres of activity were carried out at 18 local authorities; at 11 local authorities the economic management of the "Meals for schoolchildren scheme" was examined, with the aim of assessing management procedures and making proposals for the simplification and co-ordination of activities; at 3 local authorities the manner in which water works are managed and the financial situation of the authorities were examined. Some of these examinations were carried out in conjunction with the Efficiency Control Service of the State Comptroller's Office. Findings were submitted to the authorities concerned.

The scope of inspection in the sphere of local government is constantly expanding, not only as a result of the establishment of new local authorities, but also as a result of the creation of new types of bodies. For instance, the municipal joint authorities referred to above and the drainage authorities which have been established to prevent floods and soil erosion.

The disturbing phenomena revealed in various local authorities induced the State Comptroller to intensify the permanent contact with all local authorities and to turn it into a vigilant meaningful tie. In order to safeguard this contact and to aid the local authorities in introducing internal supervision, which could in many cases have prevented serious defects, the State Comptroller appointed a senior official of his office as his special representative to the local authorities. Since assuming his task in 1959, this official has visited numerous local authorities, in some cases at their invitation and in some cases on his own initiative, and has discussed vital problems with their managements. However, since the beginning of 1960 this function was discontinued.

Only 5 municipalities: Tel-Aviv-Jaffa, Haifa, Rehovot, Beersheba and Holon, had some form of internal audit team by the end of 1959. The functions, powers and place in the administrative structure of the internal audit units vary from one municipality to another. The other local authorities lack arrangements for an internal check which operate automatically to prevent errors and embezzlement.

The heads of the local authorities have begun to realize the importance of internal supervision. The main problem, however, is to find personnel who are sufficiently qualified and trained for this important and responsible task. In the smaller local authorities which cannot afford a special internal auditor, it is important that the council assume responsibility for internal audit, by imposing this task on one of the existing committees, such as the Finance, Control or Management Committees. Another possibility would be for neighbouring local units to appoint a joint internal auditor.

In order to ensure that the minimum requirements of internal check would be satisfied in all local authorities, including the smaller ones, the State Comptroller's Office recommended that the division for guidance and supervision in the Ministry of the Interior should guide the local authorities in this matter.

Co-operation with the Ministry of the Interior

Co-operation between the State Comptroller and the Ministry of the Interior in the sphere of local government is reportedly intensifying. In order to co-ordinate supervision activities of the Ministry of the Interior with the inspection activities of the State Comptroller, a joint committee of these two offices was set up in August 1959. This committee co-ordinates the time table of inspection in every single local authority, determines the spheres of activity of inspection and supervision, so as to obviate duplication, and pools opinions as to matters encountered by the State Comptroller, which require the Ministry of the Interior either to intervene or issue regulations and instructions to all local authorities. The necessity of making a systematic effort to amend the defects revealed by the State Comptroller in the administration of local authorities was stressed by the inter-ministerial committee for the rectification of defects, on whose suggestion a special committee was appointed to deal with defects in the administration of local authorities.

With the approval of the State Comptroller, and in accordance with the proposals of the inter-ministerial committee for the examination of defects and the ways of rectifying them, the Ministry of the Interior appointed in August 1959, a special committee to deal with the defects revealed by the State Comptroller in its inspection of local authorities. With these defects are meant those which are not of a mere transitory nature, but those which tend to recur in a large number of local authorities. The Committee headed by the Mayor of Haifa, included representatives of local authorities and the Ministry of the Interior, while a representative of the State Comptroller's Office attended as observer. The main task of this committee was to examine the underlying causes of defects of local authorities and to propose ways for their elimination and for the prevention of their recurrence.

In December 1960, the committee submitted its conclusions to the Minister of the Interior and to the State Comptroller.

In its final report, the committee enumerates the defects revealed in the State Comptroller's reports, classifies them into three main categories - legal, administrative and financial - and points out the dangers inherent in each. A considerable part of the report is devoted to the following two suggestions to the local authorities: a detailed proposal to adapt existing regulations as to tenders to their special needs; and a proposal to impose a betterment tax, for the advantage of the local authority, upon persons receiving building permits, if the terms of the permit enable the holder to derive exceptional gain.

Dwelling upon the procedure which must be adopted to ensure the rectification of defects and the prevention of their recurrence, the committee recommends, as a general measure, the adoption of a system of internal checks and internal audit in all local authorities.

Taken together it is apparent that the State Comptroller plays an important rôle in the function of local government. It has become apparent that his office goes beyond formally controlling the local authorities, by closely inspecting and examining possible defects and causes of difficulties, such as inefficiency, etc., and that it is attempted to find remedies. In this way the State Comptroller has fulfilled a need for assistance and guidance felt by the local authorities. It is possible that some of these dealings with local government may in the future be taken over by the Ministry of the Interior, which e.g. recently set up a special unit for research in the sphere of the financial and economic situation of the local authorities which has since conducted a yearly survey previously carried out by the State Comptroller's Office.

Department of Audit & Supervision of Municipal Accounts

The audit and inspection of the Comptroller is thorough but post factum, and is sometimes effected after a time lag of some years. Whilst this inspection is very important, and points out mistakes of the past, it is not effective

in preventing current mistakes.

With the approval of the Comptroller a separate department was set up in the Local Government Division of the Ministry of the Interior for current audit and supervision of the accounts and finances of the local authorities. This department carries out periodic checks which have proved invaluable for the prevention of irregularities.

This department also follows up irregularities brought to light by the

Comptroller, and insists on their correction.

7. Other Ministries which render Services to Local Authorities

Besides the Ministry of the Interior various other ministries render services to the local authorities, of which the most important are: the Prime Minister's Office, the Ministries of Agriculture, of Education, of Labour, of Social Welfare and of Health.

It would lead too far to enumerate specifically all the services rendered by these ministries, but an attempt has been made to mention some of the

most interesting ones.

The Prime Minister's Office e.g. decided to broaden and to co-ordinate its activities in the field of public enlightenment and information, setting up a special government office for information and civic education. For this purpose a Citizenship School was established to educate selected groups of newcomers. The purpose of the school is training cadres of civic leadership in the new agricultural settlements. University students are sent into settlements during their summer vacation to teach Hebrew and instruct the settlers in organizing their public life. In close collaboration with the Ministry of Labour, the Jewish Agency and rural municipalities, steps have been taken for the erection, equipment and operation of community centres in the new settlements.

Since agriculture is a matter of the utmost importance in Israel, it is obvious that much is being done to stimulate agriculture and to raise the present

agricultural level.

The Ministry of Agriculture renders a large amount of technical assistance. As Israel has such a long dry season, the water position is of special interest. The Ministry of Agriculture provides irrigation apparatus, pumping stations, reservoirs, and centralizes the planning of national and regional water projects.

A Council for milk-marketing was set up to co-ordinate and direct the activities of all factors in the milk economy, while the Cattle Division helps the new small-holders villages and organizes milk-inspection of their herds.

The national service for the control of animal foods is in the hands of veterinary surgeons employed by local authorities, who act under the supervision and guidance of the government veterinary services.

With the expansion of immigration and the establishment of new villages in the development areas, evenings for study and explanation of agricultural problems have been organized. Advisory stations are maintained to give guid-

ance; periodical tours in existent auxiliary farms are also held.

The educational services of local authorities are provided in accordance with the Compulsory Education Law for children between the ages of 5 and 13 and for young people between 14 and 17 years of age who have not completed their elementary education. The service is provided by the Ministry of Education and the local authorities, the ministry paying the teacher's salaries, while the local authorities provide the maintenance services of the schools.

The local education authorities build and own the building and the equipment of the public schools. This authority is usually the local council, only in very few cases where there is no local authority, a special unit is set up. The local education authority gets loans (long term and low dividend) from the government for erecting the buildings.

The local authorities also provide secondary education, of which they cover 20% of the costs. The state covers another 20%, and the parents pay 60% in

the form of tuition fees.

The general division of authority between central government and local government in the field of education is as follows: the central government decides on the real educational matters. It plans the courses of study and directs the methods; it holds inspections, schools are visited, advice is given. The administrative matters are in the hands of the local authorities.

Especially during the last few years the Ministry of Education and the local authorities co-operate closely. When new orders are issued or proposals made to local authorities, the latter are often asked to comment. This is done without a legal or formal basis and is illustrative of the effort to co-operate.

Often the local authorities take the initiative. A request for money may be made, sometimes advice is asked, e.g. a small local authority wants advice about the building of school premises, or how much money should be spent on furniture, etc. The Kibbutzim have much more freedom as a consequence of their ideological background. They have circa 250 fine, progressive schools, on which, however, the trend of the Kibbutz has an influence.

Among other important services should be mentioned: the opening and expanding of psychological bureaux in Haifa, Jerusalem, Petah Tiqva and Ramat Gan. Psychologists were sent for service in new immigrants' settlements, at the Ministry's expense, to give mental tests and to decide which children in ordinary schools should be transferred to special schools.

Meals are supplied to pupils in schools, a responsibility, however, which

is gradually taken over by the local authorities.

The "Touring Ulpan", a group of men and women teachers, graduates of the training college for Popular Instructors of the Hebrew University and the Ministry toured ten immigrants' settlements, staying about seven weeks in each.

Among the most important activities of the Ministry of Labour should be mentioned the building of immigrants' housing units in the development areas in the Negev and in Galilee. The housing units constitute a very important factor in the resettlement and development of these areas. Also the construction and maintaining of national roads is of importance for the local authorities.

The Ministry of Labour also provides specialization courses, vocational courses, training of instructors and foremen in work-management methods.

Social services

The Law on Social Services of 1958, lays down the tasks of local authorities in regard to social welfare. The services provided as social welfare are: direct assistance to families, aid to old people, child care, communal work, services for the blind and rehabilitation of social welfare cases.

The Ministry of Social Welfare assists the local authorities in the form of grants according to a certain percentage of participation. The grant is graded in consideration of the financial position of the local authority concerned. It covers 30%-70% of the real expenditure on social welfare services

by the local body.

Of special interest is a <u>communal welfare</u> branch which trains communities to overcome organizational weakness and to be more self-supporting. Activities of the Communal Welfare Branch include guidance to social and public workers, in towns and rural settlements in the methods of developing communal work; training of volunteers for social welfare services, establishment of communal centres and investigation of social problems in specific localities.

Health services

Not all local authorities are engaged in health activities. Only a few maintain hospitals on their own, or jointly with various health insurance funds. The question of municipal hospitalization has been only partly solved by the local authorities. For the greater part hospitalization is provided by the various Health Insurance Funds to their members. Social Welfare cases dealt with by local authorities receive a grant of IL 3. - daily for hospitalization from the local authority, when sent to a governmental hospital.

The Ministry of Health participates in municipal health services with a

sum towards each bed kept up by the local body.

The Ministry of Health has 16 branch district offices at the moment. It is intended gradually to increase the authority of the District Health Offices as centres of executive action. These offices cultivate a health consciousness in local areas and endeavour through instruction and example to help the population to help themselves.

During 1954, the Ministry sent a number of physicians to settlements in development zones and frontier regions, involving medical aid to numerous persons. The problem of providing adequate medical service in rural areas is becoming acute and ways and means are being studied of linking rural service with the detailed of linking rural services.

vice with the duties of house physicians and hospital interns.

Medical services for the Arab population constitute an important part of the services maintained by the Ministry. The Government General Hospitals and the District Health Offices serve the community as a whole, while the grants-in-aid of the ministry for the maintenance of clinics are also given to Arab local authorities. For villages with no clinics maintained by Arab local authorities, particularly in Western Galilee, there is a direct service maintained by the ministry in the form of periodical visits to Arab villages by a doctor and a nurse.

Assistance to flood victims

In 1956, an inter-ministerial committee to investigate the damage caused to the property of local authorities by the floods of winter 1956, was established. This committee recommended the grant of loans to the local authorities and an allocation of a certain amount from a special fund which was placed at the disposal of the committee.

8. Associations of Local Authorities

a. The Union of Municipalities

As was pointed out in Part II of this study a Union of local authorities may play an important part in strengthening the local authorities, by providing various kinds of assistance and service, and aiding them to a better carrying out of their tasks.

In Israel a Union of local councils was established in 1938. Its main purpose was to bring about a mutual understanding among the existing local councils. During the years the Union became one of local authorities, because many local councils reached municipal status. Although membership is not obligatory, it comprises all the municipalities and local councils in the country, since 1958 when the three big cities (Jerusalem, Tel-Aviv and Haifa), joined the Union. These three cities had up till that time refused to become members of the League on account of the difference in character of their problems. The fact that all municipalities are members of the Union, undoubtedly strengthens its position, although the possibility exists that the big cities will exercise greater influence in the Union than the smaller ones. About 80% of the country's population live within the areas of the local authorities at present affiliated to the Union.

Organs

The General Council of the Union consists of the heads of all local authorities, that are members of the Union and it meets every 3 months. The Union is managed by an Executive Board, consisting of 13 members, elected by the General Council. Its chief officer is the General Secretary, who performs day-to-day duties and acts as the liaison between the members of the Executive Board and between that Board and government institutions. The President of the Board is elected for a period of three months on the rotation principle.

Finance

The League is financed by its members who contribute to its budget 2% of their own annual budget. No financial subsidies are granted by the central government. The members do not pay for services rendered to them.

Survey of activities

The Union provides a great amount of advice, both on legal and technical matters, on all questions of local government, mostly on the request of small municipalities, both on a theoretical and practical level.

- A. Supplying of advice, information, and rendering of other services to the member local authorities individually or collectively
- The Union assists local authorities in drafting their by-laws and has co-operated in the preparation of several model by-laws for certain services like water supply, prevention of nuisance, control of hawkers, etc. In collaboration with the Ministry of the Interior, printed forms regarding the desired system of accountancy and of filing have been issued and distributed among local authorities.
- 2. The Union renders help to local authorities especially the small and newly established ones in drawing up their annual budgets and financial accounts.
- 3. The Union has established a Municipal Bank which was approved by the Registrar of Companies two years ago. The aim of the Bank is to assist local authorities in financing special pro-

jects. The existing Regional Local Councils, comprising about 250,000 inhabitants (and which are outside the League) have a share in the Bank and their delegates are represented on its Board of Management.

B. Promotion of consultation and practical co-operation between municipalities

- 1. In order to cut municipal expenditure and render municipal administration more efficient, the Union concentrates in its hands the purchase of much material equipment required by local authorities or their institutions, e.g. school furniture, pipes for water supplies, etc. It recently established a contact with water-meter plants in order to supply its members with water-meters for their inhabitants since the Union is planning to introduce economies in the use of water.
- 2. The Union maintains contact with the Clerks' Union of the General Federation of Labour in all matters concerning salaries and working conditions; all disputes which arise are dealt with and settled by joint Boards consisting of representatives of the Union and of the Federation of Labour.
- 3. The Union organizes from time to time, as occasion arises, courses or special conferences on which particular subjects are dealt with and explained. Sometimes a Special Conference is held in order to discuss special demands which are to be made to the Central Government.

C. Promotion of municipal interest vis-à-vis higher public authorities

Before and after the promulgation of Bills of a municipal character, the government asks the Union's opinion about the problems involved. An opinion is given after the matter has been discussed at plenary sessions of the Union and its leading organs. The Union maintains close contact with Members of Parliament, especially with those who are members of the Parliamentary Committee dealing with matters of local government and local services. It is consulted by various government organs in matters affecting local government, like education, welfare services, etc., and it is represented on several Government Commissions.

The Union issues a periodical called "Local Government" in which experts in several fields of local government publish their views on various matters. This periodical also publishes items of interest from several local authorities in the country and abroad.

The Union is planning to engage in research activities on local government problems. It also contemplates to open a school for local government, to guide local government employees and councillors. It is felt that the circa 11,000 councillors serving the 178 local authorities in Israel should be more fully acquainted with fundamental local government problems.

b. The Regional Councils' Association

Besides the Union of Municipalities there exists in Israel an Association of Regional Councils, founded in 1949. This Association is an unofficial consultative body, which represents the interests of the Regional Councils before the Government and other public bodies. All 50 Councils belong to the Association, which enjoys some influence in the policies and development of the Councils.

Before 1949, the Regional Councils were admitted as members of the Union of Municipalities, but at that time there were only 4 local authorities, bearing the character of regional councils. It is felt that the problems of the regional councils, which are mostly of an agricultural nature, present a different outlook and require a different solution.

The Association is housed in Tel-Aviv in the offices of the Agricultural Workers Organization, the agricultural section of the Labour Federation ("Histadruth"), which organizes both agricultural labourers and peasant farmers. The Agricultural Workers Organization is represented on the Council of the Association, thus ensuring co-operation on common agricultural problems, and also ensuring that the local Committee's point of view is adequately represented. The inhabitants of the villages comprised within the Regional Councils are generally either members of the Federation of Labour or of bodies, who in rural and agrarian affairs, work in close contact with the Federation, such as the National Religious Workers Federation or similar organizations.

The relations between the Ministry of the Interior and the Association are generally cordial. The Ministry regards the Association as an advisory body to be consulted on matters concerning the Regional Councils.

The general aim of both these associations of local authorities is to promote the joint interests of the local authorities and to act as their spokesman and intermediary vis-à-vis government departments and various public bodies. On the other hand it is easier for the government if it can take up contact with an organized body, e.g. when the Minister of the Interior discusses with these Unions such problems as the allocation of loans from the development budget and grants-in-aid.

Sources: For drawing up this report use was made of the following main sources, while much information was obtained from oral discussions during the stay in Israel with "the workers in the field".

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BRAZIL

Chapter I. Local Government Structure in Brazil

Brazil with its enormous geographical, economical and social contrasts, covers nearly half of South America with an area of 8,516,344 square kilometres. Its population is rather 65 million, representing half of the total South American population. Ethnically Brazil is linked with Portugal, intellectually to France and because of its immigrants it is linked to Italy. 1)

Brazil is a federal state consisting of twenty-one states 2), and four fede-

ral "territories".

Describing the federal systems in Latin America, Jorrin points out some interesting characteristics of these federal states. Unlike the United States, it did not serve to unite diverse and politically autonomous states. Federalism in Latin America, on the contrary, was made use of by caudillos and local leaders to disunite what had been political units during the colonial administration. While in North America the states existed as semi-autonomous colonies before the appearance of the national state, in Latin America the central power already existed, and the geographical units were the results of a concession or privilege granted by the central government. In other words, the federal state was an artificial creation instead of a social and historical fact that was later regulated by means of a federal constitution.

Another characteristic is a greater dependency of the states, regardless of the inhabitants' enthusiasm for self-government, because the federal government controls the monetary resources that make possible the economic existence of the local units. This phenomenon also presents itself in the relations between the states and the municipalities. To these two characteristics may be added the tendency toward a strong executive and the historical ante-

cedent of colonial administrative centralization. 3)

The Brazilian states are a continuation of the old provinces of the Brazilian empire of the nineteenth century, which have been sometimes slightly modified.4) In their turn, the provinces have been evolved from a system of political organization first used by Portugal in Brazil and which consisted in the Capitanias, specific territorial areas conceded by the Crown to certain individuals and under which the concessionaires, called Donatorios, had quasi-absolute powers within their demarcation. 5)

All the states have their own constitutions, many of them detailed and extensive. Executive power is vested in a governor, elected by popular and direct vote for a term of four years. In most states he is not eligible for re-election. The governor appoints the more important provincial employees, especially the members of his cabinet and has the right to veto legislative bills. The legislative power is bicameral in the more populated states, while there is only one house in the smaller ones. Members of the legislature are directly chosen for a four-years term. Suffrage is universal. Only illiterate persons are excluded.

¹⁾ Roger Bastide, "Brésil, Terre des Contrastes", Librairie Hackette, 1957, p. 338 and 341.

²⁾ With the transfer of the nation's capital to Brasilia the former Federal District where the city of Rio de Janeiro is located, became the State of Guanabara.

³⁾ Miguel Jorrin, "Governments of Latin America", New York (1953), p. 140-141.

⁴⁾ Bastide, p. 332.

⁵⁾ Ibid, p. 21; Jorrin, p. 350.

The New Constitution of 1946, in general terms, prohibits intervention in state affairs, authorizing intervention only in certain limited cases. The right to intervene to preserve the republican form of government is naturally included. Intervention must be effected by means of a law enacted by the federal Congress, in which the interests of the state in question are represented.

The "territories" are administrative subdivisions formed, as a rule, by lands located on the borders and are under the direct control of the Federal

Government.

The states and the territories are divided into municipalities, which represent the only form of local government in Brazil. The three tiers of government in Brazil.

ernment are therefore the federation, the state and the municipality.

The Brazilian municipality does not correspond to the city of the United States; it has a position somewhat in between the country and the city. The term "municipality" does not apply, necessarily, to an urban centre with the characteristics of an organized nucleus of population. In many cases it is a large territorial tract, and the urban section may be a modest place, where the municipal government resides. The areas of the municipalities differ considerably: the largest is almost 285,000 square kilometres, the smallest 23.1) The number of municipalities was 1,761 in 1950, and 2,401 in 1956.2) At present there are 2,755 municipalities. The 1950 general census showed that the typical Brazilian municipality has a population between twenty to fifty thousand inhabitants, while the typical city - there is one city for each municipality - had a population of less than five thousand. These figures adequately demonstrate the rural nature of the Brazilian population.

The municipality may be divided into districts, but these do not play any rôle in local government. The number of districts is very small in relation to the size of the municipalities. Their average, in 1950, was less than three for each municipality, including the city serving as the seat of the municipal government. They are only ramifications of the municipal administration. The district chief administrator is appointed by the mayor with the approval of the municipal council. The urban community where the municipal government resides is called a city (cidade), while the residence of the district administration is called a village (vila). In this manner, there are as many cities in Brazil as there are units of local government or municipalities.

The political structure of the municipalities is founded in the federal Constitution, the constitutions of the states and in organic laws of the states. In the state Rio Grande do Sul the municipalities are empowered to enact

their own organic laws.

The fundamental principles of the municipal organization are laid down in the federal Constitution, while the states are entrusted to define remaining subjects regarding the organization and structure of the municipalities, such as conditions for the creation of a municipality and the division into districts, enumeration of powers and competency of both elements of municipal government and the term of office of the elected functionaries. This kind of subjects are laid down in the constitutions of the states, and are further developed in organic laws, which the states, except Rio Grande do Sul, have enacted for the sake of the municipalities within their boundaries. Rio Grande do Sul has maintained its home rule tradition and let its municipalities frame their own charters.

¹⁾ Le gouvernement local au Brésil, by Dr. Diogo Lordello de Mello, Paris (1958), p. 11.

²⁾ Ibid, p. 10.

The federal Constitution grants the municipality self-government in all those affairs, which may be considered to belong to the "self-interest" of the municipality. Because of the vagueness of this definition and concepts as "local matters" and "peculiar interests", the states have seriously diminished the municipal autonomy. 1)

The Constitution reserves certain income of a local character exclusively for the municipalities, such as that derived from urban lands and buildings, licenses, industries, professions and public recreation, all of which contributes to the local economic autonomy. Besides certain taxes which the municipalities may levy and collect, some taxes may be assigned of which the revenues shall be divided between the municipalities and the Union or the states.

The municipal executive is the mayor, elected by the people of the locality. This is the general rule, according to an article of the federal Constitution, which provides, however, that the mayors of state capitals, and of municipalities, where there are natural water resources, run by the state or the Union, and those which have been declared by the federal law to be military bases or sites of importance, may all be appointed by the state governors. This seems to occur in a few cases. 2) In 15 states the mayor is elected for four years, in five for a five-years' term. In ten states the mayor has the right to veto legislative bills and, in certain matters, the exclusive power to make local orders, especially regarding salary scales and the creation of positions in existing services. Moreover, the mayor has all the executive and administrative powers, necessary to handle the municipal affairs, such as the preparation and execution of the budget, the publication and enforcement of local ordinances, the appointment and dismissal of all municipal functionaries and the power to amend local orders, decisions and contracts on behalf of the municipality. The different municipal offices and services are each headed by a single chief, who are all dependent on the mayor. In many cases, however, the municipal apparatus is very modest and there is hardly any division of services. 3)

Municipal councils are popularly elected as is stipulated in the federal Constitution. The number of councillors is established in the municipal organic law voted by the states, and varies according to population. The councillors serve a four-years' term. In some states they are renumerated.

The most important functions of the municipal council - which is divided into several committees, such as Executive Committee, Budget and Finance Committee, Legislative and Justice Committee, Education, Public Health and Social Assistance Committee, etc. - are to define the municipal policy and to control the executive power of the municipality. This can be done by bringing in an indictment against the mayor, by the revision of the mayor's decisions regarding financial matters and personnel in case of an appeal to the council (only in a few states) and by the verification of the annual report on the execution of the budget, which the mayor has to submit to the council. None the less, however, the mayor holds a very strong position in the Brazilian municipality in conformity with the centralized regime, which is more or less traditional in Brazil. 4) Municipal ordinances are not subject to approval of higher authorities although in the greater part of the states the constitution lays down that the legislative of the state will have the power to suspend or annul municipal ordinances when these are consi-

¹⁾ Ibid, p.6.

²⁾ Ibid, p. 9, 10 and 12.

³⁾ Ibid, p. 13.

⁴⁾ Ibid, p. 12-13.

dered to be in defiance with the interests of the Union, the state or the municipalities.

The federal Constitution does not explicitly mention the municipality as an essential element of the Brazilian Federation and does not explicitly impose upon the states the obligation to divide themselves into municipalities, which they all, nevertheless, have done in conformity with a long-established tradition. But in spite of this it is now generally believed that the autonomous municipality does constitute an administrative and political tier inherent to the Brazilian federal system, since the Constitution establishes the autonomy in principle and protects it by federal intervention in the states.

Since the whole Brazilian territory has already long ago been divided into municipalities, new ones can only be created by dividion or amalgamation of existing municipalities according to the constitutions of the states or their organic laws. The most frequent conditions are the existence of a minimum of population and of expected tax revenues. Sometimes the presence of a number of houses in the seat of the future municipality and of buildings where the governmental services are to be accommodated are also required. Only in a few states the vote of the interested population must be reckoned with.

The municipalities have to be established by a law of the state, in which the conditions for the creation of new municipalities are set forth. It is commonly required that the state's legislative body should hear the municipal council or councils concerned. The Supreme Court has annulled the creation of several municipalities for lack of observance of this provision. Nevertheless, various municipalities have been established without the presence of some or even any of these requisites, especially one fixed in agreement with the National Institute of Geography and Statistics, determining that the establishment of municipalities should not take place within intervals of five years, whereby the dates vary in the different states.

The non-compliance of the states with these conditions has different reasons, of which may be mentioned:

- 1. the interest which the legislator of a state may have in creating a political nucleus in his own favour, as the new municipality becomes his electorial stronghold;
- 2. the assignment of a higher percentage of the income tax quota granted to municipalities by the federal government. Since each municipality has an equal share in this quota 1), the more municipalities there are in a state, the greater the share the state gets from the federal funds;
- 3. the awareness that only through the establishment of its own municipal government a rural region can receive the consideration of the state and federal government, and even of the local government itself, since very little attention is paid to the districts.

Generally speaking, the Brazilian municipalities are not highly developed; their status is rather weak, in consequence of the poverty and sterility of rural life in the country. Only general measures of the states and the federal government might tackle these problems, which are far beyond the capability of municipal administration. Some of the most important problems are the shortness of agricultural credit, the necessity of agrarian reforms, the non-existence of social assistance to rural labourers, insufficient roads and means of transport, the low level of technical knowledge, illiteracy, the bad state of health of the population, the lack of qualified administrators and above all - as a consequence of these problems - a general exodus from the rural regions to the urban centres, especially to the big cities. Although Brazil is convinced that it has to develop a positive social action, the public

services are badly or insufficiently organized in most towns and especially in the rural areas. In almost half of these towns there does not exist or hardly exists a system of sewer-pipes, a water supply system, paved roads, market places, scavenging services, etc. In the state capitals and in several municipalities in the states of Sao Paulo, Rio Grande do Sul, Parana and the southern part of Minas Gerais, however, where the local resources have been exploited, the situation differs considerably.

The above mentioned conditions are gradually improving thanks to the greater financial sources which the Constitution of 1946 grants to the municipalities. The income-tax quota alone has in many cases more than doubled or even tripled the previous income of its recipients. Yet, many financial

problems are still to be solved at the municipal level.

Besides the serious shortness of sufficiently trained personnel - often even the mayors lack the necessary administrative knowledge - the main obstacle is that a municipality consists of a rural and an urban zone, which prevents the development of the rural economy of the country. The municipal government too often tends to limit its activity to the urban community, neglecting therefore the rural area. A distinction between rural and urban municipalities, such as exists in other countries, has been proposed as a mean to separate the government of the rural areas from that of the cities. An alternative to this would be to secure the representation of the districts in the municipal councils and to organize the districts as sub-units of local government for the purpose of administrative decentralization and the reinvigoration of rural life. At present the districts lack any administrative organization deserving this name. Only in the state of Pernambouc, however, there seems to be, to a certain extent, an administrative decentralization for districts of more than five thousand inhabitants, headed by an adjunct mayor, elected by the people in the district. This may provide an effective remedy to the neglect of the rural partions of municipalities.

Theoretically, the competence of the Brazilian municipalities includes public works, education, public health, public order and social help. Town-planning, including zoning and building inspection, is dedicated by the organic laws of the states to the municipalities, as belonging to their "peculiar interests". Only a few municipalities, however, have drawn up a general plan

to this purpose. Still fewer have a real zoning ordinance.

Urban roads and streets are constructed and maintained by the municipalities. Other roads and highways may belong to the federal state, to the state or the municipality. Roads connecting the municipalities are generally municipal. For the construction and maintenance of these roads the municipalities receive the proceeds of a so-called "compensation" tax from the federal government. Transport may be provided for by private enterprise or by the municipality. Transport between two or more municipalities is controlled by the state, especially regarding the tariffs and approvement of the concessions.

Social and public health are taken care of by the municipalities in concurrency with the states and the federal government by virtue of the competencies granted to them in the municipal organic laws. The greater part of the municipalities do not themselves provide for social services, but entrust these services to specialized private institutions which they subsidize. Many municipalities have their own hospitals, medical centres, dispensaries, etc. Since the federal government and the states are working in the same field, without any delimitation of authority, the activities are often doubled and badly distributed. Anyhow, it is the rural population which has to suffer for it.

Primary education belongs to the task of the states and the municipalities and is regulated by the states. Private schools also play an important

rôle. It often occurs that the state provides for the school buildings and the municipalities for the teachers and equipment or vice-versa. State's schools are generally better equipped because of higher qualified personnel and their higher salary scales. The federal Constitution stipulates that at least 20% of the tax revenues shall be spent for education. Little is done by the municipalities regarding secondary education, which is mostly given at private schools. Many secondary schools, however, are maintained by the states.

Police is state affair. Municipalities may have an administrative police to look after their own regulations, and a night watch service for the protection of persons and property. In some cities this service is performed by

private organizations.

Few municipalities maintain a fire service. In the state capitals this function is usually performed by the state government.

Municipalities are empowered by the municipal organic laws to operate public utilities, which many do. They also have the power to grant concessions to private concerns for the exploitation of such services when the area of operation is within the municipal boundaries.

However, unlike the big urban centres as mentioned above, the common municipalities have hardly the means to cope with their elementary functions.

The greatest improvements introduced by the 1946 Constitution in the Brazilian municipal system were by far those related to municipal revenues. Following the course established by the preceding Constitution, the present one allocates the different kinds of taxes among the three levels of government, but this time the share reserved for the municipalities was substantially greater.

The main taxes reserved exclusively to the municipalities are: a real property tax on buildings within the urban areas, and on urban lands; a personal tax on the exercise of professions, crafts and industry; a licence tax and an amusement tax. Moreover, municipalities are allowed to levy fees

and special assessment taxes.

Economic underdevelopment and general poverty, however, make the taxing power of most municipalities practically profitless. Hence a system of shared taxes has been created. To that effect the Constitution declared that of certain federal and state taxes a certain percentage should be handed over to the municipalities.

So, for instance, ten per cent of the federal income tax should every year be distributed in equal parts among all the municipalities, except where

the federal and state capitals are situated.

The distribution of the fiscal receipts between the three tiers of government, however, shows that the municipalities get only a fraction of the shares of the states or the Union. For the fiscal year of 1955, the percentages were, in round figures, 48% for the Union, 42% for the states and only 10% for the municipalities.

It is quite obvious, therefore, that the municipalities constantly have to call in the aid of the higher authorities in order to solve their problems. Since there is not a real subvention programme the grant of financial aid often depends on the political situation of the moment and does not seem to be determined according to fixed rules. Requests for assistance mostly concern the construction of public works such as schools, roads and bridges, engineering plans and projects, the disposal of an auditor to set up order in the municipal finances, of a medical officer to direct a local dispensary or a school teacher to be at the head of a municipal school.

Some states have established a special department of municipal affairs to render services to municipalities in need of assistance such as to elaborate certain projects, to draw up local plans, to give juridical, financial and tech-

nical advice, to lend out material for road construction, etc.

Help also comes from the Union in many forms, either by means of subventions proposed by a member of the Congress or by means of agreements between the two parties. Federal, state and local co-operation for the solution of municipal problems is sometimes organized on a more permanent basis, as in the fields of public health and education.

Another example of a permanent service undertaken jointly by the Union and the municipalities is the national statistical service. Yet, the Federal Government also has not a true grant-in-aid programme directed to specific

purposes.

Apart from the control exercised by the state governments of municipal affairs, especially in the financial field, which may demonstrate the submissiveness of the municipality to the state, the relation between the two tiers of government is principally that of one authority to another and not of an organ of the central government to its local services. Practically, however, the attitude of the states is rather paternalistic in consequence of the overwhelming superiority of their technical and financial resources and the subsidies and other types of assistance which they lend to the municipalities.

The states have the power, granted to them by the Federal Constitution, to determine the manner in which the financial administration of their municipalities shall be controlled. It is generally believed that the control of the states should be limited to the legal aspects of financial administration of the municipalities, without any consideration as to the convenience or op-

portunity of the financial operations involved.

This control can be exercised a <u>priori</u>, by the establishment of some legal prerequisites which must be observed by the municipalities in financial matters, and a <u>posteriori</u> in the case of budgetary execution. As to the first form of control, the states have made several provisions mandatory upon the municipalities, regarding the publication of financial reports and contracts, the concession of tax exemptions and other fiscal favours, the purchase of goods and supplies, etc. Some states have also put a ceiling on the percentage of the municipal income that can be used for personnel expenditures.

Control of budgetary execution is, as a rule, left by the states to the municipal councils themselves.

It seems that besides some basic national problems of a social, economic and political nature which greatly hampers the efficiency of municipal government, another problem of an internal character also contributes to reduce the possibilities of the typical Brazilian municipality as an adequate administrative organization to make the best use of the municipal resources and to meet the challenge posed by the change from a rural to an urban economy. The absence of professional administrators and modern management techniques appears to be a serious obstacle to the development of sound local government. Much will depend upon the services to be rendered by the states and the federal government to the municipalities to raise the standards of municipal government. Of special importance are therefore the above mentioned state departments of municipal affairs whose technical and other services and training programmes touch on the heart of the problem.

Chapter II. Services rendered by the Federal and State Governments at the local level in Brazil 1)

I. Services rendered by the Federal Government at the local level

The ever-growing power of the federal government and the continuous increase of its functions are responsible for the wide variety of services rendered by it at the local level, either by direct administration, through the several ministries or by means of the federal authorities or "ad-hoc" bodies (autarquias), public and mixed-economy corporation. Besides, a vast number of private institutions of a cultural, educational or social assistance nature are maintained in part with subsidies from the federal government. In a great many cases these institutions depend, for their survival, upon those subsidies.

A breakdown of the services by functional areas will be attempted in the following pages.

1. Education and Culture

The original functions of the Ministry of Education were mostly limited to: 1) the enforcement of the federal legislation concerning the regulation of secondary and superior education; 2) the maintenance of the University of Brazil and six other major universities; 3) the operation of a model secondary school, and of some cultural institutions in the Federal Capital, such as the National Library, the National Museum, the National Observary; and 4) the protection of the nation's historical and artistic monuments.

In the last decade a strong movement has taken place for the federalization of state and private universities and superior schools. Thus, six universities and about twenty superior schools in all parts of Brazil have been, at their own request, taken over by the Ministry of Education, what has put most of the higher education of Brazil under the responsibility of the Federal Government.

The Ministry of Education and Culture also operates about 25 technical and industrial schools of secondary level throughout Brazil. (These schools are usually located at the state capitals).

Another field in which the Ministry of Education and Culture has expanded considerably is in the granting of subsidies to private education and cultural institutions. The most voluminous section of the federal budget is by far the one devoted to such subsidies, which cover about 20,000 institutions, including those maintained by religious and professional organizations. Most of those organizations are primary and secondary schools, but they also include nurseries, philharmonic orchestras, research institutes, so-

¹⁾ The following report was prepared for the IULA study group by Mr. Diogo Lordello de Mello, Director of the Brazilian Institute of Municipal Administration (I. B. A. M.).

cial assistance institutions, professional clubs and societies, orphanages, students organizations, etc.

All in all, about half of the total budget of the Ministry (that is, more than eight billion cruzeiros in the current fiscal

year (US \$ 40 million) go for those subsidies.

Finally, little by little a series of cultural institutes and programmes were created within the Ministry, with the purpose of carrying out research, promoting the development of the cultural or educational activities comprised in its objectives, and rendering technical assistance to the state and local governments. As time has passed, the scope of the services rendered by such agencies has tended to be widened and to include material as well as technical assistance. Among the most active locally of those institutes and programmes are:

- 1. The National Institute of the Book, which has a programme for the creation of a municipal library in every town in the country, in co-operation with the municipal government. The Institute provides an initial supply of 800 books, keeps sending 500 books, every year to the municipality which:
 - a. provides the place and the personnel (usually one or two people) for the installation and operation of the library, and
 - b. agrees to buy every year at least for one hundred dollars (at the present rate of exchange of Cr. \$ 190,00 per dollar) of books for the library.

The Institute has managed to establish more than 500 municipal libraries throughout Brazil. Although its ability to maintain a continual flow of new books and to get the fulfillment of the local government obligations is very limited, it can be pointed out as one of the best examples of a grants-in-aid programme in Brazil.

- 2. National Institute of Pedagogical Studies. Its objective is to assist the state and local governments in the improvement of primary and secondary education, and to carry out research in the above fields. One of the major forms of that assistance consists in the training of elementary teachers in the modern educational techniques, but the Institute has been steadily going into the area of material assistance by financing the construction of school buildings. Through its scholarship programme the school has trained thousands of primary and secondary teachers in Brazil and abroad. The Institute deals directly with the state as well as with the local governments.
- 3. National Institute of Educational Cinema. This agency is devoted to the making and distribution of educational moving pictures to be shown in schools. It acts preferably through the state governments, but in some cases the municipalities can deal directly with it. The Institute has a library of over 800 films which can be borrowed by interested schools.
- 4. Adult Education Service. This Service was devised as an instrument to reduce the adult illiteracy rate of the country. It operates through agreements with the state (and sometimes

the local) governments. These agreements provide the installation of adult education courses, as well as the distribution of textbooks, teaching materials, films, etc. The results have been far from good; the service has been an easy prey to unscrupulous politicians at the state level, and a source of corruption and favouritism.

- 5. National Campaign for Rural Education. This is a rather new programme, still largely in an experimental phase. Its main objective is to assist the state and local governments in the development of fundamental education programmes in the rural areas. It offers technical assistance as well as financial help to that end, and operates through rural missions composed of a doctor, an agronomist, a social assistant, a nurse, an expert in recreation, and an expert in home economics. One of its services consists in the training of rural teachers, so as to improve their usually low level of competence.
- 6. National Campaign for the School Luncheon. Here is one of the most beneficial and widespread services rendered by the Ministry of Education at the local level. The Campaign is responsible for the distribution, to the state and local governments, as well as to private schools, of the powdered milk provided to Brazil by UNICEF and by the American Conference of Bishops.

 The beneficiary agencies contribute with the other items necessary for the preparation of the luncheon, such as sugar, chocolate, etc. Statistics have shown beyond doubt the tremendous effect of the free school luncheon upon the increase of school attendance specially in the poorer areas,

2. Public Health

A separate Ministry of Health was established in 1953. Until then, there was a Ministry of Education and Health, but with the growth of the federal activities in both fields the separation became necessary.

where for many children it is the only or at least the major

meal that they get during the whole day.

The original functions of the federal government in matters pertaining to public health were mostly of a regulatory nature (food and drug control, licensing of doctors and enforcement of the laws concerning the exercise of medicine, etc.), or deal with research and study of the basic health problems of the nation.

In recent years there has been a strong tendency towards direct and indirect federal participation in regional and local public health projects and programmes, in a similar way to what has happened in the field of education. This participation takes place through the following means: 1) direct operation of local health services, specially in the areas most stricken by the so-called rural endemic diseases; 2) agreements with state and local governments for joint operation of local and regional health services or for the financing of public health projects, by means of grants-in-aid, and 3) regular grants or subsidies to private, non-profit, local health institutions.

Specially active locally are the National Department of Rural Endemic Diseases and the Special Public Health Services (SESP). The first conducts a national campaign to erradicate the dozen or so endemic diseases which plague the rural and small town populations. Its action covers about 2,000 of the 2,755 Brazilian municipalities, through a network of 25 regional offices and 100 sub-regional health centers.

The Special Public Health Service (SESP) is an autonomous agency under the Ministry of Health and was originated in an agreement with the U.S. Government. SESP has been very active in the areas of sanitary education, including water and sewers systems design and construction for small towns. It maintains health centers throughout the country, specially in the Amazon, Northeastern and Eastern regions. In some places the local SESP agency has taken over responsibility for the sanitary inspection (sanitary police) services and even the administration of the local waterworks system, by agreement with the municipal authorities.

Also to be mentioned is the National Health Department of the Ministry of Health. Its Sanitary Organization Division maintains over 100 veneral diseases dispensaries throughout the country, and a national campaign against typhoidic fever with health posts in several municipalities. Some time ago the Department launched an ambitious plan to provide a doctor to each of the 600-odd Municipalities in which no doctor lived, but the plan has been only partially carried out by lack of funds. The scheme contemplates the co-operation of the municipal government and the payment, by the Department, of a monthly living allowance to the doctor, whose obligations are mainly to live in the municipality and to render free medical services to the needed (the new Venezuelan plan of requiring every doctor, upon graduation, to spend one year in the interior as a requirement for the confirmation as this degree and licensing seems more realistic).

3. Agriculturel Development

The 100-year old Ministry of Agriculture also maintains a variety of regional and local services, mainly in agreement with the state and local governments. The main purpose of those services is to promote the development of agriculture and livestock, by giving technical assistance to farmers and cattle raisers and distributing insecticides, fertilizers, seeds, sapplings, etc., to them.

Other important activities of the Ministry of Agriculture include the operation of meteorological (weather) stations in several states and the operation of a system of research and teaching institutes and agricultural colleges, one for each of the five physiographical regions of the country.

A recent and successful development in the field of local assistance to farmers is the Brazilian Association of Supervised Credit and Rural Assistance, a private, non-profit organization sponsored by the Federal Government and Point IV. ABCAR, as it is known, has branches in several states and in over 300 Municipalities. It maintains a well-rounded programme of supervised credit and technical assistance to small farmers and has also been active in the fields of training (agriculture and home economics).

4. Public Works

The Federal Government no longer limits itself to the planning and execution of large-scale, regional public works projects but has been participating more and more in the execution of local projects, either directly, through the regional branches of its Ministry of Public Works and regional development agencies, or indirectly, by means of subsidies and grants-in-aid.

In the draught-stricken Northeast the Federal Government has since long ago been active in the construction of dams and irrigation projects, many of which are of purely local interest. The National Department of Works against Draughts and the Army Engineers' Corps are the two federal agencies responsible for this service.

Flood control and drainage have also been the object of federal attention, mostly in the South. The National Department of Sanitation Works has co-operated with local governments in a variety of local projects.

The Brazilian highway system comprises federal, state and local roads, but the Federal Government has been present in the road building and maintenance activities of the two other levels either by means of the allocation of federal funds or through the rendering of technical assistance to state and local authorities. The unified federal tax on fuel and lubricants is collected by the Federal Government and shared with the states and municipalities according to certain pre-determined criterion, and its revenue must be employed entirely in road construction and maintenance.

Other local public works activities undertaken by the Federal Government include the re-edging of rivers, channels and ports, and the construction of airports.

5. Other Services

Finally, the Federal Government is present in rendering local services in a variety of other ways, some of which may well be mentioned here although they are under the responsibility of autonomous federal authorities.

First, should be mentioned the huge operations of the social security institutes whose combined budget is equal to almost half of the Federal budget itself. There are six such institutes, organized according to the major professional and work groups (industry, land transportation, commerce, maritime transportation and services, banking and insurance, public service). The major services rendered by them are retirement and death pensions, medical care, and housing. The Institutes cover practically all those who work, except domestic employees (servants) and agricultural workers, and have local agencies wherever the number of insured people justifies.

In the second place, there is the Brazilian Institute of Geography and Statistics, which maintains an agency in practically each of the 2,755 Municipalities of the country, in a three-party agreement with the states and municipalities. Although the value of its services is very limited, if not nihil, to most local governments, which do not know how to utilize the statistical data collected by the Institute or its local offices, the presence of the Institute in every municipality is of the utmost importance to the national census and other statistical activities. Besides, being municipally-oriented, the Institute has contributed in a considerable way to strengthen the idea of local self-government and to call the attention of the higher authorities and of the country as a whole to the hinterland and the grass roots of the nation.

In the third and last place mention should be made of the federally-controlled, mixed company credit institutions, such as the Bank of the Northeast, the Bank of the Amazon, the Bank of Rubber, the National Economic Development Bank, the Bank of Brazil and the Federal Savings Bank system, in which the Federal Government owns the totality, a majority or part of the stock. With the exception of the last two, these banks were set up with the purpose of promoting and financing projects of public or semi-public nature, as well as private projects of a reproductive character and of significance to the local, regional or national economy. In a capital-hungry country like Brazil these banks play a most important rôle in providing financing for public projects and in developing the national economy, so that their services must be placed among those of utmost usefulness to the local communities.

I. Local Services rendered by the State Governments

There has never been a clear-cut distinction between state and local functions in Brazil, except in a few cases of considerable implication, such as the police and judiciary services, which have always been rendered by

the state government in republican times.

Many factors are responsible for this, but the lack of strong municipal traditions seems to be the most important. This, in turn, results from the traditional precariousness of the municipality as a unit of government, its lack of adequate financial and technical resources, its usually vast area and its consequently vast responsibilities. So, as the problems arise, the tendency is to look for the governmental level which have actual means to solve them. The pattern is the same throughout the country. In none of the states one finds a logical distribution of functions, except perhaps in the law, as in the State of Espirito Santo.

The problem is further aggravated by the tradition of symetrical organization of local government, which has been a characteristic of Brazil since the monarchical times. Every municipality has the same form of government and the same basic constitutional powers, and within each state they have the same powers and are given the same functions and responsibilities. Theoretically and potentially, at least, the powers and functions of the most backward local government lost in the Amazon jungle is equal to that enjoyed by the municiplaity of Sao Paulo, one of the largest and greatest cultural and economic centers of the world.

The need for governmental action has developed at a much faster rate than the capabilities of the local government. As the interior is exposed to the ideas and mode of life of the more progressive centers the demands for governmental services grow and the local citizens look upon the state and the federal government as the only source from which help can come. So, regardless of what the municipal organic law voted by the each state legislature says about the local character of a function or service, the higher government levels may take over its performance without the slightest objection from anybody, provided the local government asks for help or shows its consent otherwise.

The evolution of the several state departments is therefore strikingly similar to that of the federal ministries as far the extension of their field activities is concerned. Still retaining their original regulatory functions and their interest in regional, inter-municipal services and activities, they have more and more taken over purely local functions, either on a statewide basis or in a less casual, sportly way, as circumstances dictate.

The range of state services rendered at the local level is broader than the federal. Because of the system of concurrent functions, it encompasses almost all the services that are usually reserved to the municipalities themselves. Or, putting it in another way, the municipalities have power to perform practically every state service except police and justice.

1. Police

Police (including traffic police) is a state function. Every municipality has a state-appointed police chief. The municipal police power does not include, therefore, the police in its strict or commonisense, as it does not go beyond the administrative police (non-armed). As of 1958, 1,258 Municipalities contributed financially to the maintenance of the chief of police and 565 to the jail service. 1)

Municipal night guard corps are nevertheless common. In 1958, out of 2,340 which answered a questionnaire distributed by the Brazilian Institute of Municipal Administration (IBAM) 2), 237 municipalities declared to have their own night guard corps, and 234 others declared to subsidize private night guard organizations.

2. Justice

Except for the higher federal courts and the specialized courts (labour, military, and electoral) the administration of justice is a state function. But even the labour and electoral courts are staffed with state judges and personnel, only their jurisdiction being federal.

The municipalities also contribute financially to the maintenance of the local court, either by providing office space and or by paying the judge's rental of his home, in some states, at least.

3. Fire Protection

In the state capitals the fire protection service is usually maintained by the state. In Sao Paulo and in a few other states there is a system of local-state co-operation for the establishment and operation of local fire stations, according to which the state provides the firemen and the municipality, the equipment and installations.

4. Education

Public primary education is about equally divided between the states and the municipalities as to the number of schools, most rural schools being municipal. The distribution of responsibility is not clear-cut, however, as in many states there are both state and municipal schools in the urgan as well as in the rural areas.

Secondary education (including normal, industrial, commercial, and agricultural) is mostly private. As of 1959, there were, in Brazil, 3,459 secondary schools, of which 91 were federal, 887 state, 163 municipal and 2,318 private. 3) In the majority of the states, only the capital and the few other major cities have public secondary schools maintained by the state. This situation is utterly different in Sao Paulo, Paraná, Rio Grande do Sul and Santa Catarina, where most municipalities are served by state secondary schools.

¹⁾ Institute Brasileiro de Administração Municipal (IBAM), Municipios do Brasil - Organização e Atividades Governamentais (Rio de Janeiro: IBAM, 1960), p. 86.

²⁾ Loc. cit.

³⁾ Instituto Brasileiro de Geographia e Estatistica (IBGE), Anuario Estatistico do Brasil, 1959 (Rio de Janeiro: IBGE, 1960), p. 358.

Some states maintain their own universities and superior schools. One of the most important Brazilian centers of higher education is the University of Sao Paulo, which has branches outside the state capital.

The states operate their school and other cultural services either directly or in agreement with the municipalities, the federal government and private institutions, in the manner described above in relation to the federal government. Of special importance is the agreement system with the local authorities for the provision of elementary education. About 22% of the municipalities maintained such agreement with the states, as of 1958.1) According to the Constitution, the organization of the elementary education system belongs to the states. The inspection of municipal elementary schools is therefore a state responsibility.

In most state capitals there is a public library - usually the only or the most important general library-maintained by the state.

5. Public Health and Social Assistance

Every state maintains a variety of local health and social assistance services such as regional hospitals and maternities, first aid hospitals, child care centers, general clinics, and dispensaries. Most of these services are supported exclusively by state funds, but many are maintained in agreement with or with financial help from the municipalities, the federal government and private institutions. Sometimes the state participation consists in paying the doctors' salaries; in other instances the state provides the buildings and installations, and the municipality or private institution becomes responsible for the operation of the services. As of 1958, 11% of the municipalities maintained agreements with the states and the federal government for public health and social assistance purposes. 2)

Specialized clinics, mental hospitals, orphanages and asylums are usually maintained by the states only in the capital city. The sanitary police, except for building permits, are also exercised by the state only at the capital. As for permit of occupancy of new buildings, the rule is for some state medical agency in the locality to take care of the building inspection and grant the permit.

The following table shows the distribution of hospitals and other health services according to the source of its support, as of 1957.

Nature	Total	Federal	State	Municipal	Gov.Auth.	Private
Hospitals	2.597	115	218	87	43	2.134
Other health services	5.069	789	2.254	346	285	1.395

Source: Anuario Estatistico do Brasil - 1959 (IBGE).

Burial facilities, consisting mainly of the supply of the casket, are accorded the poor by the state police.

¹⁾ IBAM, op. cit., p. 84.

²⁾ Ibid., p. 77.

6. Agricultural and Livestock Development

In a still largely agricultural country like Brazil extension services and other forms of assistance to farmers and cattle raisers have since long been one of the responsibilities of the state governments. In recent times, the federal government has also been active in this field, especially in co-operation with the states and municipalities. In 1959, about 5% of the total budget of the states were allocated for development activities, mostly of a rural nature, while the federal government spends approximately that amount for the same purpose. 1)

7. Public Works

The states participate actively in the construction and maintenance of highways, through their highway departments, which are deconcentrated into residences or regional offices. Besides taking care of its own highway system, sometimes with the financial support of the federal government, the states also assist the municipalities technically and financially in the construction of municipal roads. The smaller municipalities sometimes sign agreements with the states for the application of their share of the federal tax on fuels and lubricants, which, according to the law, must be spent for road construction and maintenance.

As for other types of public works, state participation at the local level varies greatly from state to state. Usually, only projects of a regional interest are undertaken by the states, but there are many instances in which even small scale, typically local works, such as the construction of schools and small bridges are done by the state, since many municipalities lack technical resources for the taks.

8. Public Utilities

Such public utilities as water, sewage, slaughterhouses and markets are usually municipally-operated.

Federal and state participation in the planning and construction of water and sewer systems is considerable. In the state capitals and in the State of Rio Grande do Sul these services are operated by the state, as a rule.

Telephone and electric power service are either municipal or private. In recent times, however, both the federal and the state governments have gone deeply into the production and even distribution of electric power, specially through the mixed-economy (public and private capitals) companies.

As of 1958, there were 2,185 cities supplied with electric energy; in 1,047 (47.9%) of them the service was operated by the municipality itself, in 863 (39.5%) it was privately operated, in 175 (8%) it was run by the state government and in 44 (2%) the service was federal. With respect to telephone services, there were, at that time, 961 cities served, of which 773 (80.5%) by private companies, 145 (15.1%) by municipal and 43 (4.4%) by state corporations. 2)

Public transportation is provided mostly by private companies, except in some state capitals where the local government has taken up the operation of the streetcar system formerly in hands of foreign companies. In at least one large city, however, (Niteroi, capital of the State of Rio de Janeiro), the public transportation system is mostly in the hands of the state government.

¹⁾ IBGE, op. cit., p. 443.

²⁾ IBAM, op.cit., pp.102.103.

9. Technical assistance

In order to provide some sort of guidance to the newly-freed municipalities, whose almost complete autonomy was then granted, the 1934 Constitution provided that each state could maintain an organ to render technical assistance to the municipalities.

Most states decided, therefore, to set up a department of technical assistance to their local governments, with the provision that their services would be rendered only upon request from the local authorities. During the Vargas dictotorship (1937-1945) every state had such a department, which proved to be a very important piece in the centralized system of government then established. The local governments, whose autonomy had been completely revoked, were controlled by them, which had by them become real local government departments of the state government. Yet, they used their great authority to improve and standardize local administration practices.

The 1946 Constitution restored local autonomy to the fullest and again allowed the states to maintain a technical assistance agency to render services to their local governments. But by now the scars left by the older departments were deep enough to provoke a strong reaction from the so-called municipalists or defenders of municipal autonomy. Only half of the states kept their departments in operation. The others extinguished them and either discontinued entirely the rendering of technical assistance or, like Sao Paulo, distributed the functions of the former department throughout other state agencies, mainly the legal and finance departments.

The existing departments, which now amount to eleven, are conspicuous failures, with one or two exceptions. They have neither the personnel nor the right kind of attitude to carry out their intended objectives. They limit themselves to render technical advice on accounting and legal matters, sometimes going as far as preparing model ordinances and codes (building and tax codes specially). One or two have also been somewhat active in preparing urban plans and public works projects.

In Parana, the Department was once deeply involved in road construction, having as many as 70 pieces of heavy equipment for that purpose. It was then subject to criticism for deviating its activities to other fields

than technical assistance proper.

The measure of their inefficiency can be had by the fact that none of these departments, except one (Parana) has ever sent any of its technicians for training at the Brazilian School of Public Administration of the Getulio Vargas Foundation, or at any other national or foreign school or center for public administration training, although there have been plenty of facilities available to them. It can be safely said that they are lagging behind at least thirty years in their administrative techniques. One of them still recommends the single entry system of accounting and manage to keep all municipalities in the state, except the capital, under that system.

They are politically run and serve usually as a stepping stone in the political career of their directors. Because of this, they are under constant fire from the opposition and the press. On the whole, they are ineffective and do not command neither the confidence nor the respect of most municipalities. For they lack that positive, if politically neutral, attitude which must characterize the approach of a technical assistance agency the need of whose services is not always understood and, which, in this specific case, has so much of an educational and even missionary

purpose.

If they were useful in the past, during dictatorial times, they have failed to adjust themselves to a situation not only of complete local autonomy but also of new administrative techniques and concepts. Nevertheless, two or three of them are still making a genuine, if often frustrated, effort to be of service to the municipalities.

III. Other Sources of Technical Assistance

Technical assistance is also available to the local governments from other governmental and semi-governmental agencies, and from private organizations.

1. The Technical Council of Economics and Finance

This is an agency subordinated to the Ministry of Finance. It maintains a consultation bureau which renders limited assistance to the municipalities in accounting matters. The Council has been the guardian of Federal Decree-Law 2.416, of July 17,1940, which set up general accounting and budgetary rules and standardization procedures for the states and municipalities. In connection with this function, the council answers questions related to the interpretation and application of that law.

2. Brazilian School of Public Administration

In the field of training, pre-eminence must be acknowledged to the Brazilian School of Public Administration (EBAP), of the Getulio Vargas Foundation. The School was established in 1951 by the Foundation under the auspices of the United Nations and the Brazilian Government.

The School maintains intensive, short-courses on the different subject areas of public administration (personnel, purchasing, finance, organization and methods, public relations, research methods, budgeting, municipal administration, etc.) and grants scholarships to public agencies, including municipal, willing to send their employees to train and specialize at the School. The good results of this work are already noticeable in several large municipalities, such as Belo Horizonte, Curitiba, Recife, Porto Alegre and in many middle size ones, whose administration has been improved through the action of the employees trained at EBAP.

3. Administrative Department of the Public Service (DASP)

A staff agency of the President of the Republic (similar, in scope, to the Bureau of the Budget of the U.S.) DASP has also been active in training (including by correspondence) of municipal employees, and in offering other forms of technical assistance to local governments, but this is done in a rather assystematic way. Its Public Service School has just launched a 15 month course on local government available to public employees from any part of the country.

4. Course for Municipal Employees (Minas Gerais)

In the State of Minas Gerais the Department of the Interior has for over two decades, maintained a <u>Course for Municipal Employees</u>, aimed at providing training to municipal secretaries, accountants and other clerical employees of the municipalities of the state. Although the programmes of instruction have hardly kept pace with the modern administrative techniques, the Course has been effective in helping the smaller municipal governments to keep a minimum of legal and organizational

efficiency in their administrative services. It is a pity indeed that the idea is not followed by the other - states - even by those which maintain a department of technical assistance to the municipalities.

5. Brazilian Institute of Municipal Administration

Finally, mention(should be made of the <u>Brazilian Institute of Municipal Administration</u> (IBAM), a private, non-profit organization whose purpose consists in the improvement of municipal administration in Brazil.

The Institute is supported by: 1) funds contributed by the affiliated local and state governments; 2) an annual subsidy granted by the federal government; 3) the revenues from the sale of its publications; and 4) revenue from contracts and agreements (especially for training and research), and from its other services.

According to its by-laws the following are, specifically, the objectives of IBAM:

- 1. Study the organization and functioning of municipal services, for the purpose of contributing to their continuous improvement.
- 2. Promote the dissemination of ideas and practices for the improvement of municipal administration.
- 3. Render technical assistance to Mayors and Municipal Councils, and promote the interchange of information and experiences in the field of local administration.
- 4. Maintain contact with similar, specialized institutions, both at home and abroad, for the purpose of finding solutions for specific municipal problems.
- 5. Sponsor courses on municipal administration and develop training programmes in order to increase the competence of the municipal personnel.

Since its creation in 1952 IBAM has striven to fulfil, its objectives in each of the above fields, and has contributed significantly to add objectivity and seriousness to the so-called municipalist movement in Brazil.

It has carried out several studies on the organization and functioning of local government institutions and services in Brazil, some of them at the request of international organizations and of the Brazilian government.

Its publications activities include a bi-monthly magazine and several books and booklets of a practical character. A model tax code was published in 1959, and has been made available to more than 300 municipalities, along with instructions to its adaptation to local conditions.

In the field of training, the Institute has conducted a series of intensive, two-month courses for municipal secretaries and accountants, and several short courses and seminars on taxation, budgeting, town and regional planning and municipal leadership. These courses have been given in the states rather than in Rio de Janeiro, where the Institute is located, and have served the important purpose of training municipal employees as well as of establishing a more personal contact between the local administrations and IBAM.

The Institute also maintains a laboratory of administration where municipal employees can receive practical instruction for the solution of specific problems.

In recent years IBAM has extended its training services to other Latin American countries, under an agreement with the United Nations and the Brazilian government. Four special courses on Municipal Administration have been given under this programme to Latin American municipal employees. The course consists in class room and seminar sessions at IBAM and supervised internship periods in the best-run municipalities of the country, under on-the-spot orientation of technicians and professors from the Institute.

One of the most utilized and useful services rendered by IBAM - mainly to the small local governments lost in the immensity of the Brazilian territory - is the consultation bureau, which answers questions on anything related to municipal administration, put forth by majors, councilmen and municipal employees. In the last four years almost one thousand such questions have been answered, many of them involving the preparation of elaborated technical opinions on points not always clear at all. Although a great many of the queries are about legal matters, a considerable number involves other subjects such as accounting, administrative reorganization schemes, personnel administration, budgeting, public relations, town planning, public works, and even heraldics.

Another important form of assistance rendered by IBAM is the conduct of in-loco surveys of municipal services, for the identification and analysis of structural and functional problems. Twenty municipalities, mostly large ones, have received this kind of assistance and have their services reorganized on the basis of IBAM's recommendations.

The main objective of IBAM is to promote good local government. The annual contest to select the year's best municipalities sponsored by the Institute in co-operation with "O Cruzeiro", the leading Brazilian magazine, is aimed at giving recognition to those communities whose administrations have distinguished themselves in the previous year. The five winners are awarded a diploma of honour in a ceremony presided by the President of the Republic.

The Institute plans to go less and less into direct technical assistance work and devote itself more and more to the research and study of general problems of municipal administration. Before that can be fully accomplished however, the states most reinvigorate their departments of technical assistance to the municipalities, for these still will be in need of this assistance for many years to come.

IV. Relationships between Central Field Agencies and Local Governments

Because of the extreme degree of political and administrative autonomy enjoyed both by the states and the municipalities, the realtionships between the three governmental levels are carried out as from government to government, not as from a central or higher governmental level to its subordinate or field agencies. The agreement, signed by the interested governmental units, is the formal instrument for those relationships, where the execution of projects of common interest is involved. In agreements the contracting parties stand on equal footing, and the agreement can be freely denounced by any of the parties.

Much co-operation between the three levels, however, takes place without the signing of a formal agreement. It should also be pointed out that the federal and state field agencies are at a great liberty to operate independently, that is, without the need to consult or act in accordance with any of the other governmental levels. This often leads to wasteful duplication of efforts and even to conflicting policies and actions. This occurs even in relation to the activities of the several field agencies belonging to the same govern-

mental unit, for each field agency is controlled by a central or a regional office set up on a specialized basis, there being no official, in Brazil, like the French Préfet, who represents the central government as a whole in his Department.

The area of operations of the federal services sometimes coincide with state boundaries, and indeed some ministries (Finance, Labour, Public Works) have their departments deconcentrated on a State basis. The same is true of the social security institute (ad hoc bodies). Others, like the military ministries, have their principal field agencies organized on a broader territorial basis, each one covering several states. Finally, some other Ministries and authorities have regional offices covering a few municipalities and reporting directly to headquarters.

State services usually take the municipalities as the basic territorial units upon which to base the organization of their field offices. Sometimes the local office reports directly to headquarters in the state capital, some-

times to regional offices which cover several municipalities.

The selection of the area of operations for the different services is made by taking into consideration several factors, one of the most important being the coincidence between the administrative boundaries of the field agency and the political boundaries of a governmental unit (either a state or a municipality). This tends to facilitate intergovernmental relations. Tradition is another factor. Older services tend to keep their ways while the newer ones organize themselves on more current ideas. Since overall reorganization of the federal and state administration is never or seldom undertaken, discrepancies in the criteria for the selection of field agency areas tend to be maintained.

Because Brazil is such a vast country with a still unsatisfactory transportation system, transportation and communications are also a factor in determining field agencies boundaries.

Several agencies, like the Indian Protection Service, and the production control institutes are organized on a clientele basis and thus must have

their agencies in the areas where their clientele is to be found.

Finally, political considerations are also a determining factor in field agencies location. Political patronage has been constantly denounced as an undesirable instrument for the establishment of many federal and state field offices in places where the services are not needed or which are not the most adequate. This criticism is very sharp in relation to the local offices of certain social security institutes. The objectives of the patronage system is above all to provide wellpaid jobs to local politicians and their friends.

1. Control Powers of Field Agencies

The field agencies are given power to control the application of grants-in-aid and subsidies to local self-governing authorities or any authority of a lower governmental level as well as private and semipublic organizations. The same occurs when a project is being carried out by an agreement between the governments involved. The application by the state and local governments of their shares of certain federal taxes is also controlled by regional field offices of the Federal Government, a good example of this being the technical and financial control exercised by the Federal Highway Department over the state highway departments and by these over the municipal highway services. This control consists in the approval of the highway plans and programmes to see that they fit into the plans adopted by the higher authority and in the application of the highway funds distributed to the States and municipalities by the Federal Government.

In general, the tutelary functions of field agencies over local governments consist of the approval of plans of the project being carried out by joint action of the two governments concerned and of the financial control, usually a posteriori, of the operations involved.

The major effect of this control - and its advantage too - is that it tends to make the use of grants, subsidies and other forms of local participation in federal or state taxes more efficient and more honest.

Most local governments usually lack technical competence and means to undertake certain operations and activities, as well as to maintain certain services, so that technical control from higher authorities is

often indispensable for the success of certain projects.

Since the present system of control of the financial operations of the local governments by the municipal councils themselves is regarded as very unsatisfactory, it is felt that greater accountability is secured when a higher authority controls the spending of funds by the local governments, as it is the case with certain grants and subsidies. Graft and other forms of corruption, however, are still largely present, even under this process, either by connivance between the field agent and the local authorities or by lack of effective control procedures.

There is a growing feeling among federal and state administration, students of government and the press that more control should be exercised over those agencies - State or local - which receive financial assistance by a higher government. Those controls should not only be extended to certain operational areas which are now outside any control but should be made more strict, more thorough and more effective. It seems, however, that the question of political morality lies at the heart of this problem. The unwillingness of many higher authorities to use properly their control powers for political considerations is far too common. Yet, it can be concluded that in spite of all its defficiencies, much more is accomplished under the present system than if no controls were exercised at all by the field agencies of the higher government over the local bodies.

As it has been pointed out above, contact of field offices with local bodies is sometimes compulsory for the discharge of the field office duties. There is a vast area of intergovernmental relations calling for the continual co-operation of federal, state and local authorities for the solution of problems which, on account of the prevailing system of concurrent competence in many matters, are common to the three levels of government in Brazil.

Formal field agency contacts at the local level are usually made with the mayor, who is the head of the municipal administration. The municipal council is heard only informally or when the passing of an ordinance is regarded as necessary to the fulfilment of the field agency objectives, but even then such a contact is made formally through the mayor,

who is the sole legal representative of the Municipality.

Another informal contact of significant weight is that maintained by the field agent with the local political bosses for the purpose of directing the field agency activities as much as possible within the interests of the local boss who is to be favoured by the field agency. The discretion allowed the field agency is often exercised in this manner. Sometimes the field agent goes beyond his legal powers or receives instructions from above to act illegally or against the established objectives of the programme of his agency, on account of political manipulations.

Conscientious field officers use their discretion in selecting alternatives for action by listening to the community and local leading citizens rather than to the politicians when they feel their views differ. In

some parts of the country where politics are fought more bitterly, as in the North and Northeast, and with regard to the more politically-ridden services, like the federal social security institutes, this course of action may prove very dangerous to the field officer, for political pressure will often be brought to bear upon him to change his attitude, and retaliation is certain to follow if he persists - retaliation which ranges from removal to another post to dismissal from the service.

V. Summary and Conclusions

Since the introduction of field agencies in Brazil has taken place gradually over a period of centuries, no spectacular changes have been noticeable.

In general, there is a universal clamour against the concentration of government in the federal and state capitals, and even in the towns, as far as local government itself is concerned. The expression "asphalt government" has been coined to identify this tendency to solve local problems at distant city offices, whose comfortable location (of which the word "asphalt" conveys the idea, since only the major towns have asphalt paving) does not allow the administrator to perceive the real situation that prevails at the places where his decisions must be carried out.

More deconcentration, as well as more <u>de facto</u> decentralization of a system that to many seems only theoretically decentralized, are thus hailed by the press and the general public indispensable to the efficiency of government. The man of the interior - of the rural areas and of the small towns - feel that government, which has legal power to provide so many social services, should be present in the form of local agencies, even if it is a local tax collection office to make it easier for him to discharge his taxpayer's duties.

One of the most interesting governmental phenomena related to the establishment of new field agencies in Brazil is the ever-increasing number of local government units (municipalities) in the last decade. In some states their number has doubled in this period, causing alarm to most people as a negative factor in the development of local government institutions. Administrators, students of government, some politicians and specially the press do not hesitate to condemn the granting of autonomy to areas which do not seem prepared to exercise the functions of a local government unit. Yet, a recent study of the phenomenon in the State of Minas Gerais, 1) where it has perhaps been most acute, indicates as a major reason for the creation of new municipalities the need of federal and state field agencies to provide basic services as schools, health centers, post offices, assistance to farmers and cattle raisers, water, sewers, electric power, vital statistics and notary public offices, police, etc. Both the federal and the state governments tend to organize their services taking the municipality as a basis, so that being a municipality rather than a simple municipal district gives an area a much better chance to deal with the higher governments and receive their attention. (It should be mentioned that a district is a mere administrative subdivision of the Municipality, without any degree of self-government).

One contention of those who oppose the facility with which the states allow the emancipation of areas under municipal jurisdiction, that is, the creation of new municipalities is that field offices are created to serve

¹⁾ Orlando M. Carvalho, A Multiplicação dos Municípios em Minas Gerais (Rio de Janeiro: Instituto Brasileiro de Administração Municipal, 1957), passim.

political <u>protégés</u>, that is, to give them jobs rather than to provide services. There is indeed much truth in the argument, for the merit system is the exception rather than the rule in filling public offices in Brazil, and this reaction against the spoils system explains the apparent contradiction of those same people who are also in favour of deconcentration and decentralization, that is, against "asphalt administration".

Now it should be pointed out that the common citizen is not very much interested in the issue "deconcentration versus decentralization". In other words, he does not care at what governmental level is the service provided and whether he will have some control upon it or not. As much as the service is rendered he has no further questions as to what governmental unit should be responsible for it. This seems to be a rather typical attitude in underdeveloped countries, where the need for public services is so acute that questions of democratic control over local services, State rights, local autonomy, etc., become irrelevant. A study of Iranian local government made by Professor Frank P. Sherwood, of the University of Southern California, Los Angeles, while he was serving with Point IV in Iran 1) shows the same attitude on the part of local communities in that middle East country.

This indifference as to what level of government provides the services has contributed to increase the participation of the federal and state governments in matters which are usually local, such as water supply and sewer construction, first aid hospitals, fire, etc. - participation under the form not only of financial assistance to the local governments but of the actual operation of such services.

The truth, however, is that the Federal Government is undergoing a constant and alarming growth in all directions. Its power is so great, as compared to that of the States, that to many the Brazilian federal system is gradually disappearing. The Federal Government retains control over several matters which affect greatly the states and local governments, such as foreign commerce and exchange, production of basic commodities, prices, wages, banking, and the credit system. Furthermore, the constitutional distribution of the revenue sources favours the Union with a tax system which is both more flexible and more productive than that of the States and Municipalities, so that there is a considerable disproportion between the total revenues of the Federal Government and the several federally-controlled ad hoc authorities (mainly the social security institutes) on the one hand and the revenues of the State and local governments on the other.

This privileged financial position of the Union encourages the Federal Government to go into areas of operation which should be more properly reserved to the other governmental levels, and to fill the gaps that result from the financial powerlessness of the states and municipalities to provide certain services.

The problem, as it has been set forth, is basically one of balance of power - fiscal and economic powers - between the Union, on the one hand, and the states and municipalities, on the other.

The solution to this problem is a difficult one, for it seems that this growth of federal power is the answer to the need for a strong leadership from the central government in the struggle for the economic and social development of the country. The size and nature of many of the projects of economic development that have been initiated in the last two decades require policies, administrative set-ups and governmental controls which only the central government can provide. As in the United States, the growth

¹⁾ This information was conveyed to the author in a letter from Professor Sherwood.

of business interests in some fields, such as public utilities, has led to the need of strong federal control, for the area of operation of the companies go usually beyond the limits of a single state, thus lending a national scale to problems which were local,

The lack of domestic private capital and the country's inability - which only very recently is being overcome - to attract foreign investments has also forced the Federal Government to go into business (steel and oil production, shipping, railroads, electric power), thus making it still more powerful.

Finally, federal ties have never been too strong in Brazil, for the historical origins of the Brazilian federation themselves are quite different from those which led the formation of other countries.

The trend towards greater federal spending and participation in the economy does not show any sign of diminishment but rather of increase, so that the only possible solution seems the retention of the basic policies and controls with the Federal Government and the increase of state and local participation in the execution of federal plans and services. One of the best ways to accomplish this is certainly the development of a real grants-inaid system similar to that adopted by the United States, Australia and other federal countries. Grants should be allocated by the Federal Government on condition that its application must be in conformity with federal standards and subject to federal inspection. The matching-grant idea should be generalized, the participation of the Federal Government varying in accordance with its interest in each individual projects or service.

A rational grants-in-aid system requires, among other things, a minimum of planning and programming at the national level, and the co-ordination of federal, state and local activities of the same or related kinds. This is a far cry from present practices, and much of the waste and inefficiency of the public services in Brazil is due to lack of planning and co-ordination, especially with regard to those functions under the concurring competence of the three levels of government.

The absence of adequate controls over the application of funds granted by the higher to the lower governmental levels and the abuses that result from this (misuse and embezzlement of funds, adoption of inefficient and corrupt practices, etc.) tend to make the higher level authorities believe that the best solution is the direct operation of the services by its own field agencies. This system, however, is not only expensive but does not succeed in avoiding corrupt practices, whose deep roots lay in the lack of political maturity of the country, and whose immediate cause is the centralized system of budget control of the Federal and State Governments. Far too removed from the points where the money is spent, the Federal and state budget offices cannot exercise any effective control over those appropriations, inasmuch as questions of local autonomy are also involved.

Concurrently with a grants-in-aid system a redistribution of functions among the three governmental levels should be attempted so as to define responsibilities more clearly and to adjust the obligations of each level of government to its financial and technical resources.

YUGOSLAVIA

1. Introduction

The area covered by the country is 256,000 square kilometers, while the population amounted to 18,667,000 in 1960. About 50% of its population earns its living in industry and other non-agricultural activities, and the remaining 50% in agriculture. As recently as 1939, still 75% of the population was employed in agriculture. This means that many people have changed from agriculture to industry and other occupations, and have migrated from village to town. This change has brought about a severe disruption of the old traditional patterns of family and village life. The patriarchal rural family lost many of its functions, such as those in the economic sphere and those concerning health, protection, education, recreation, etc. Various functions had to be taken over by newly organized social services. At the same time the remnants of primitive common ownership of the village community, the more or less ceremonious village gatherings, archaic forms of local government, forms of mutual help in agricultural work, etc., tend to disappear. 1)

According to the Constitution of January 31st, 1946, Yugoslavia is a Republic, organized as a federal state, composed of six federal units, called. People's Republics. These Republics are: Serbia, about 8 million inhabitants, capital Belgrade, which is also the capital of the country; Croatia, 4,1 million inhabitants, capital Zagreb; Bosnia and Hercegovina 3,1 million inhabitants, capital Sarajevo; Slovenia, 1,5 million inhabitants, capital Ljubljana; Macedonia, 1,4 million inhabitants, capital Skopje and Montenegro, 0,5 million inhabitants, capital Titograd. The general idea behind the federal set up is to give a separate political status to each of the component groups. Within the Serbian republic there are also two autonomous entities, the Autonomous Province of Vojvodina and the Autonomous Region of Kosovo-Metohija.

The central organs of authority and administration are: The Federal National Assembly, the Federal Executive Council, the President of the Republic and the Federal Administrative Organs, together with the National Assemblies and Executive Councils or Administrative Organs of the Republics.

Yugoslavia which had been divided between Austrian and Turkish control for many centuries, has not been a political unity since the Turkish invasions of Europe in the 14th century until World War I, when a centralized monarchy was established under Serbian influence. This monarchy was destroyed by the Germans in 1941.

When the country became independent after World War II, a communist government with strong tendencies towards political and administrative centralization was established. It is generally believed in Yugoslavia that this initial period of state socialism was a necessary phase in the reconstruction of the country.

2. Structure of Local Government

Until 1955, there were five or six types of local territorial units: provinces (oblasti or okruzi), cities ranking as provinces, districts, cities ranking as districts, cities within districts and the smallest territorial unit, called opština (pronounce opshtina).

¹⁾ E. Pusic, Basic principles of community development in Yugoslavia, International Review of Community Development, p. 171-176.

At present, however, local government in Yugoslavia is organized in a two tier system: the opština, or komuna, as it is often called in a term of political-ideological significance, and the districts as a grouping or combination of opštinas, representing and implementing the common interests of opštinas.

In order to understand local government in Yugoslavia it is necessary to obtain as clear a picture as possible of the entire political and social struc-

ture of the country.

Historically, the local community in Yugoslavia was not just a social or later an administrative unit as it was in most of contemporaneous Europe. During the long periods of occupation it had always to play a political rôle as well. It was a form of permanent organization to resist foreign domination based on family and kinship ties, on common work and common life.

When the occupation was terminated in the XIXth and XXth centuries, and the various national governments tried to apply the same methods of strong central rule, they met a very determined opposition with the slogan: "local self-government". It was not surprising, therefore, that the resistance against a new foreign occupation, during World War II, was based on locally

organized units, the People's Committees of Liberation.

The social structure of Yugoslavia is based on a system, characterized by the fact that the citizens themselves administer all the affairs of the community, either directly or through their representatives. Apart from the assembly and the administrative organs of the opstina, as the political body of all the people and the fundamental representative of political government, other autonomous bodies of self-management operate in the opština: the workers' councils in the economic organizations, councils and boards of social self-government in the field of schools, culture, health, social welfare, communal and other institutions, rural co-operatives, etc. All these bodies, each within its own jurisdiction, perform their tasks independently, according to the law. They determine their organizations, they earn and distribute their own income, they regulate their internal relations, division of labour, set the price of their services. The assembly has no right directly to interfere administratively in their work, but exercises its functions of co-ordination by means of collaboration, recommendation and guidance. The task of the opština consists primarily in the binding together of the interests and resources of all the autonomous organizations.

Through this system of self-government all activities which are not directly linked with the political power are withdrawn from the sphere of state administration and handed over for direct management to the citizens interested

in the development of various fields.

These tendencies in the development of contemporary Yugoslavia are marked by a gradual but constant process of so-called deetatization, i.e. the gradual and steady replacement of the state administration by social self-government. This process began, first of all, in the economic field, where all nationalized economic enterprises and other economic organizations and associations were handed over for direct management to the working people of these enterprises or organizations.

The system that prevailed in the economic life of the country from the end of the Liberation up to 1950, is usually called the period of administrative management. Centralized governmental planning prevailed, and the state played a decisive rôle in the entire economic life of the country; the state controlled the distribution of raw materials and final products, fixed the plans for each economic establishment, determined prices and wages. Due to the insufficient development of the material basis of the country, which had been severely devastated during the war, central bodies had to assume an important rôle with regard to a number of issues in order to consolidate the new demo-

cratic order, nationalize the means of production, concentrate the resources for the strengthening of the defense capacity and for the rebuilding of the country.

The drawbacks of this system, however, were an evergrowing bureaucracy and red tape, giving rise to all kinds of administrative restrictions.

The introduction of the management by the workers themselves in 1950, resulted in great changes, not only in the position of enterprises and the direct producers in the country, but also in the economic system in general, the system of planning, investment policy, distribution of income, etc.

The principle was laid down that the opstina is the basic political-territorial and socio-economic community of the inhabitants in its area, in which they satisfy most of their requirements as producers and consumers. Thus the opština emerged as a new political, economic and social organization of

the people.

In order to enable the opstina to develop into such an organization the new opština should as a rule be a sufficiently large and economically integrated unit, capable of undertaking even major economic and social projects, but not too large in territory and population that it would prevent a more direct connection and mutual influence between the citizens, self-managing organs and the main organ of the opstina: the assembly and its administrative organs.

All opštinas, regardless of the size of the opština or whether they are preponderantly of an urban or rural character, have the same rights and the same obligations according to the law since 1955. In actual practice, however, differences emerge between opštinas with a well-developed and those with a poorly developed economy.

As a rule, an opština represents an urban settlement and those rural surroundings which are economically connected with that settlement. In order to achieve this, legislation was introduced concerning the new political-territorial devision.

The area of big cities has also been split up into opštinas, as it was impossible for the citizens to have a direct influence on affairs of their smaller communities within large agglomerations of several hundred thousand people. On the other hand it was also necessary to make it possible for general municipal problems to be given a uniform solution for the whole city. This has led to certain specific solutions in these cities. The law authorized the district committees of the two largest cities,Belgrade and Zagreb,to retain under their competence certain rights which in other places represent the rights and competence of the opstina committees. The other five cities - Ljubljana, Sarajevo, Skopje, Maribor and Rijeka - have by district statute been given the right to set up a separate institution, the city council, either at initiative of the district committee or at the request of more than one half of the opstinas in the integrated city area.

City councils are not bodies with the rights of opstina assemblies, but bodies which have to correlate the views and policies of opštinas on matters which should be integrally solved in the cities. They are, in fact, institutions for co-ordinating relations between opštinas, and are made up of representatives of the opstina assemblies.

The larger and economically stronger opštinas immediately began to show a greater vitality, while the small opstinas were unable to perform their functions successfully. New discussions and studies were undertaken and as a result further alterations were gradually introduced.

In 1960, a total of ca. 28,000 small, medium and large inhabited settlements were grouped in 809 opštinas, which remained from over 4,000 opštinas in 1955. This means that there were 34 settlements on the average in one opština. The average number of inhabitants per opština is ca. 23. 000.

It is generally believed that with the changes undertaken during the last five years the political-territorial division has entered the stage of stabilization. Minor alterations, which may be necessary in the future, will be undertaken in the incividual republics, provided that agreement has previously been reached with the majority of the population in the territory concerned.

At prosent, Yugoslavia has 774 opštinas and 75 districts 1), against some

360 dist. cts in 1950.

The general position of the opstina and the districts, their rights and obligations, as well as the basic structure and the organization of the assemblies, are laid down by federal and republic laws. These laws also stipulate the rights and duties of the citizens, their associations, enterprises and institutions. 2) The Federation guarantees the status of self-government of the local authorities in the Constitution. Moreover, the Federation regulates by law the basic principles of the system and structure of local self-government and the relations between central and local government bodies.

The republics elaborate, in their constitutions and laws, the basic prin-

ciples of the federal Constitution.

The opstinas and districts may lodge complaints with Parliament for the protection of their rights, when they judge that their self-government has been infringed by a regulation or action of higher bodies. However, the establishment of a Constitutional Court is being contemplated.

The Statute of the opština and district determines and elaborates the rights and duties of the citizens. The Statute is the "constitution" of the opština or district. The opština statute is adopted by the supreme representative bodies of the opština and confirmed by the committee of the district; while the district statute is confirmed by the assembly of the Republic. The statute determines in detail the specific ways in which relations are to be regulated between the managing organs in enterprises and institutions, local committees and councils of housing committees, voters' meetings, as well as all other autonomous institutions on the one side and the assembly on the other.

The <u>assemblies</u> emanated from the people's committees, which emerged during the <u>Liberation</u> War 1941-1945. These committees have undergone a process of constant functional, organizational and methodological improvement and adaptation to the needs of the citizens and the Yugoslav community as a whole.

Immediately after the war, the Constitution and laws established the committees as the only bodies of government in local communities (localities, districts, regions and provinces). Central bodies, except for state security, could not establish their own organs in addition to those of the committees, which were given a wide measure of independence under the conditions prevailing at that time. However, as mentioned previously, central bodies had in the beginning to assume a decisive rôle with regard to several issues in order to consolidate the new democratic system.

During that period the committees had only one chamber. Their executive organ was the executive committee, a body composed of seven or more members, which carried out all functions except those within the competence of the plenary meeting of the committee.

The further development and material strengthening of self-government in local communities began in 1949. The executive committees were replaced

¹⁾ Districts have been abolished in the People's Republic of Montenegro and the Autonomous Region of Kosovo and Metohija, in which the functions of the district have been taken over by Republican or regional organs.

²⁾ As enterprises are regarded smaller or larger organizations with the purpose of achieving an income in any branche of economic activity, whilst institutions are regarded all small or large organizations set up for the purpose of meeting various needs of the people without the aim of making a profit.

by <u>boards</u> as governmental and social bodies, entrusted with the task of implementing laws, regulations of the local committees and of carrying out administrative functions in various fields of social life. At the same time the competence of the local committees was increased, particularly with regard to the organization of the economy and establishment of public services. The process of broad <u>vertical decentralization</u>, which started in 1950, has resulted in a constant decrease of the rights and competences of central bodies to the benefit of the committees.

This process of vertical decentralization, i.e. the transfer of competences and powers from higher bodies to opštinas, is a continuous one. In the earlier stages of this process, competences and powers were transferred from higher bodies to the district, whereas since 1955, this form of decentralization consists in the maximum transfer to the opština. At present competences are being shifted from district organs to those of the opština. The activities of the district are increasingly determined by the affairs transferred to it by the opštinas for joint solution. There is a firm determination that the opština should be the basic and first instance unit of local self-government. For this reason the organization of the opština is being expanded to include services which were organized earlier on a district or higher level such as the police, statistics, planning, etc. District organs are becoming more and more organs of control, co-ordination and technical assistance.

In addition to their increased rôle in opštinas and districts, as basic and most important local authorities, the committees have also gained importance as organs of people's self-government, not only in the political sphere, but also in the field of economy, education, health, arts, culture and other areas of public life. This change of the character of the committee gave rise to a process of horizontal decentralization, i.e. decentralization within the committee. With regard to self-governing economic and other organizations and social institutions, the opština assembly, as the former people's committee is new generally called, exercises only those administrative functions which are prescribed by law and a right of control in order to ascertain whether or not these organizations and institutions are carrying out their work in accordance with the law. Outside the framework of these rights, the assembly of the opština and its bodies cannot interfere administratively with the affairs of the mentioned organizations and institutions.

On the other hand, the assembly is the leading political and social body in the opština; it is responsible for the state of affairs and development of relations in the opština, for the planned development of its productive forces, for the prosperity, the development of public services, etc.

So, the part played by the assembly as the leading body is not diminishing. The aim is, on the one hand, to ensure autonomy for the working people in their associations and self-governed bodies in general and, on the other hand, to ensure the leading influence of the assembly, its co-ordinating rôle and responsibility for the general welfare of the opština without administrative interference with the affairs of autonomous organizations.

The introduction in 1957 of a bi-cameral system for all opštinas and districts, by establishing a Chamber of Producers as the second chamber is regarded as a significent development with respect to the structure, substance and method of work of the assembly.1) By introducing the Chamber of Producers the influence of the working class with regard to the tasks of the assembly has been increased. Through the participation of direct producers in their work the assemblies have become better qualified to solve basic problems in opštinas and districts, concerning economic enterprises, workers' self-management, etc.

¹⁾ Also the National Assemblies of the Republics and Federal National Assembly are composed of two chambers.

Whilst the members of the general chamber of opština assemblies are elected by all the people of the opština entitled to suffrage, the members of the Chamber of Producers are elected only by employees in the manufacturing industry, transport, commerce, handicraft, trades and agriculture. All members of households who farm land under their own ownership may also take part in the election of members of Producers' Councils. Agriculture comprises one group and all the other industries together comprise another group. The number of members of each group is related to their share in

the gross product of the opstina.

Since the Chambers of Producers have been established, self-government has been more and more introduced in the fields of health, education, culture and social institutions, in the course of which the whole structure of the Yugoslav population is changing and the concept of the working class is assuming a new content. A close integration of social services, health, education, etc., with production takes place. For these reasons both the structure and the composition of the Chamber of Producers will have to be changed. According to the preliminary draft of the new Constitution not only the collectives in production and economy, but also the collectives in health, education, administration and other institutions will participate in the election for the Chamber of Producers, which in the future will also include representatives of working collectives in the social services.

The number of the members of opština and district assemblies (general chamber) is determined by the Statute of opština or district. The minimum and maximum numbers are laid down by the law on the Assemblies. The number of members of the Chamber of Producers is not determined in figures, but the law stipulates that their number must amount to at least three fourth of the number of members of the general chamber of the assembly of opština or district, but that its total may not exceed the total number of mem-

bers of the general chamber.

Elections of (general) assembly members are held every four years, on a day fixed by the Republican Executive Council for all members of all opstinas in the territory of the Republic, to be followed immediately afterwards on a predetermined day by election for the Chamber of Producers. The election of members of the general chamber of opstina assemblies takes place by direct ballot in which all citizens of both sexes over 18 years of age, resident in the area of the opstina for which the elections are being held, may take part.

The members of the general chamber of the district assembly are elected by the members of general chambers of opštinas situated on the territory of

the district.

The members of the Chamber of Producers of the district assemblies are elected in a similar way. The indirect method of election corresponds

to the rôle of the district as a grouping of opštinas.

The general chamber and the Chamber of Producers of opština and district have equal rights in the passing of decisions at their meetings on vital affairs of the opština or district. The law determines only the general spheres of their competence, while the opština and district statutes determine them in detail.

The usual procedure is that the chambers discuss these questions at separate meetings. If the chambers cannot agree on the same text of a certain decision, a joint commission is appointed composed of an equal number of members from both chambers, which then tries to settle the dispute. If no agreement can be reached the chambers of the district assembly may mediate. If they fail the matter is decided by the Executive Council of the respective Republic.

At their joint meetings the chambers of the people's assembly elect all

the bodies and appoint all the officials of the assembly.

Moreover, the chambers of the people's assemblies deal at their joint meetings with other matters, determined by Statute of the opština or district.

Besides there are questions which belong to the competence of one chamber only, in order to simplify the work of the people's assembly and to make it more efficient.

Assemblies are comparatively numerous bodies and to ensure more economical and efficient functioning specialized assembly commissions are established to prepare or examine the proposals submitted to the chambers of the assembly. Apart from the advisory bodies of the assemblies, these commissions have been instituted both as joint bodies of the two chambers or as bodies of an individual chamber. Joint commissions are, for instance, the commission for elections and appointments and the commission for complaints and objections.

Advisory bodies, introduced since 1952, have become more and more important during the last years. These bodies act particularly as assistant bodies in preparing proposals and to submit concrete principal questions to the assemblies. The president and members are appointed by the assembly at the end or at the beginning of each year. At least two members in any advisory body must be members of the assembly, while all other members may be elected from among those citizens who are able to contribute by their knowledge and experience to the success of the advisory body. Even the president of the advisory council need not necessarily be a member of the assembly.

Most of the assemblies have instituted advisory bodies for general administration, economic activities, housing policy, labour relations, culture,

public health and social welfare.

The field of activity of the advisory boards is rather wide. They decide on many questions connected with the application of the laws and regulations of higher organs in the particular domain for which they have been set up. They also promote the implementation of assembly's decisions by giving more detailed explanations, instructions and directives.

The president of the assembly is the leading political personality of the assembly, which he represents on all public and formal occasions. The president is elected at a joint meeting by the members of both chambers from among themselves, either by secret or public ballot as the chambers may decide. The president's mandate lasts four years, the same as his mandate as member; he receives a monthly salary, which is fixed by the assembly.

The president has a number of special powers and functions: it is his duty to organize and encourage the work of the assembly and their commissions, advisory and other bodies. As a rule he presides over the joint meetings of both chambers, he calles meetings and implements the decisions of the assembly. Moreover, he must be constantly aware of the obligations assigned to the assembly by federal and republic laws and other regulations.

The president has determined powers with regard to the administrative organs of the assembly; he exercises certain disciplinary rights with regard

to the secretary and heads of administrative organs of the assembly.

Larger opštinas and assemblies of individual districts employ one or two vice-presidents to assist the president in his many tasks and functions.

If the president does not carry out his duties adequately or correctly or if other reasons emerge, the assembly can relieve him of his post. Nobody can be elected as president for more than two successive mandatory periods.

In addition to members of the assembly's committee and members of the advisory bodies which carry out their work on a voluntary basis, without receiving any financial reward for their work, each assembly employs a larger or smaller number of professional administrators and technical officials. The administrative organs are subordinated only to these representative bodies. The former legal hierarchic structure of administration, from federal to local, with firmly established relations has been abolished.

The functions of the administrative organs are: direct implementation of laws and other regulations and the provision of technical services for the assembly and its advisory boards.

Separate technical services are also rendered by institutions and bureaus for economic planning in opstinas and districts, institutes for urban development, statistical institutes, organizations for the promotion of trade, crafts, etc.

Since the present opštinas are large territorial units and the assemblies and their administrative organs are situated in the seat of the opština, it is necessary to locate one or more officials in each minor settlement or collectively for some smaller ones. These "outposts" of the opština's administrative organs are called <u>local offices</u>. The officials working in them usually act as registrars of births, marriages and deaths, keep registers of citizens and voters, carry out administrative duties for the local committees, i.e. bodies concerned with rural matters, etc.

The secretary of the assembly is the highest official, appointed by the assembly for an undefinite period at a joint meeting of both chambers. The secretary is responsible for an efficient organization of the administrative organs, he has to co-ordinate the work of the leading officials, to supervise their work, etc. He assists the president of the assembly in preparing the material and the agenda for the meetings of the assembly and attends the meetings. He takes part in the discussions and offers legal advice, but does not have the right to vote. At least once a year the secretary must submit to the assembly a report on the state and work of the administrative organs of the assembly.

The financial resources of the opstinas are divided into so-called joint or common revenues in which the opštinas, the districts, the Republics and the Federation participate together and into special or separate revenues, which are entirely due to the opstinas. To the joint revenues belong federal taxes such as income tax, taxes on personal earnings, turn-over taxes, etc., which are all collected by the opstinas. The Federation takes a more or less symbolic share in these joint revenues, while the participating opštinas, districts and Republics derive the largest part of their budget incomes from them. The Republics are entitled to distribute the proceeds of joint revenues in their territory. They are, however, not at liberty to do so at will. The Federation has guaranteed the opstinas a minimum share in income from these joint revenues, amounting to 29% of the realized proceeds, with the proviso that the Republics may increase this percentage. Fully independent revenues of opštinas - the special revenues - are the resources obtained from surtaxes on the above mentioned taxes, opština turnover tax, opština rates, opština stamp revenues, etc., which the opstina assembly may determine independently, fluctuating with the general increase of material possibilities.

In addition to these resources, the material basis of the opština also comprises a part of the resources of economic organizations and institutions on its territory, which has to be handed over to the opština. The opštinas and districts dispose of approximately 28% of the resources of the economic sector, realized on their territory. This average share may be more or less, depending on how the distribution between the opština and districts and the economic organization is determined in the economic plan.

The law authorizes the opštinas and districts to draw up special financial programmes for specific tasks of a long term nature, introducing the principle that independent institutions, possessing collegiate social organs of management, will have their own funds, separate from the general budget, to manage their own financial operations. A new situation has thus been created in which the assembly, directly or through a special fund for a specific social activity, such as schools, housing, etc., provides only a lump sum of

money while the organ of social management in the institution concerned, distributes the money at its own discretion, or builds up savings over several years in order to carry out some major project. As the most important examples may be mentioned local social investment funds, opština housing funds and social funds for schools.

The separation of certain social services from the state administrative machinery as a consequence of the principle of social self management has led to split the budget into a number of autonomous funds, which seems to be carried to the extreme. Special funds seem often to be required, not in order to solve social relations or to organize work efficiently, but in the belief that such funds will provide greater resources than those already at the disposal of different organizations and services. It stands to reason that this tendency will easily result in an irrational system in the management of social resources. Moreover, the danger exists that such a practice would weaken public control over the use of resources. The budget usually contains forms which offer prospects of deeper public control, while autonomous funds easily slip away from this sort of control.

Figures of budget incomes of opštinas from 1956-1960 show a marked acceleration in the increase of opštinas incomes. In 1956, the budget incomes of all opštinas totalled a little less than 60,000 million dinars to grow steadily to a total of more than 145,000 million dinars in 1960. The incomes of the districts also showed an increase, although at a lower rate than opština incomes.

However, parallel with this increase in opština budget incomes, there was an increase in their commitments as well, since the opštinas had to fulfil obligations transferred to these bodies by the decision of the Federal National Assembly. Regardless of whether they have a well developed economy or not, the opštinas are committed to meet these obligations financially. To those opštinas which are not able to do so of their own assistance is extended in various ways, primarily through direct investments for the economic development of these opštinas or through the granting of credits on favourable terms or the granting of subsidies. This, however, is not a lasting solution. To live on subsidies means to live without initiative and without prospects. Efforts are therefore being made to help all parts of the country, and consequently all opštinas, to develop their economic potential as soon as possible and thus secure a basis for their independent development and the financing of social services and other needs.

To accelerate the improvement of the financial situation of opstinas it seems to be the intention that they will have a larger share in the resources realized by enterprises and shops in their territory and also in all the results of a better and more economical operation of these organizations.

Of particular importance for the economic and financial policies of the opštinas are the opština banking organizations, which are called <u>communal banks</u>. These banks are set up for one or several opštinas and are administered by managerial boards appointed by the assembly and the managerial organs of enterprises in the opština territory. Owing to the existence and activity of these banks, the opštinas are able to adopt more flexible economic policies in their annual development plans and also to fulfil more easily their economic and financial rights and obligations.

Besides participating in the work of the assemblies, their advisory bodies and commissions, of workers' councils, managerial boards of schools, health institutions, etc., the citizens of the Yugoslav opštinas can exercise their influence in two special ways. These two forms of so called "direct democracy" are the meeting of voters and the referendum.

The voters' meeting or meeting of the electorate is the most direct form of the common participation of citizens in the activities of the people's assembly and of exercising influence on its work and decisions. They are in-

dependent general political meetings of the citizens which consider all matters of direct concern for the development of the opstina and the way of life of the people in it. The meetings of the electorate are convened on the decision of the assembly or at the request of the members or the voters themselves.

Important functions of the meetings are: exchange of opinions and proposal of certain measures. They are primarily concerned with hearing reports on the work of the assembly, which are submitted to them at least once a year and especially interested in discussions on proposed annual economic development plans for the opština, the annual budget and urban development.

The voters' meeting is apparently considered as a way to collect information and understanding - but also to social supervision over the work of the elected representatives. This supervision includes the bodies of social self-government in the opstina, which will report about their work to the

voters' meeting.

The second form of direct expression of opinion of the citizens, the referendum, is not applied very often. However, particularly the use of local referendums on major matters in the life of the opština is recently increas-

According to the law, a referendum may be called by an assembly on its own initiative or at the request of 1/5 of the voters in the opstina territory. A referendum is called in order to learn the opinion of the voters on decisions already approved by the assemblies, to obtain approval or rejection or to find out in advance the attitude of the voters to a certain decision which the assembly intends to consider.

It is of special interest that in Yugoslavia the opstinas are aided in their work to a certain extent by a network of social and political organs, such as the League of Communists, Socialist Alliance of the working people, Yugoslav Youth Movement, etc. Voluntary social activities occupy a very prominent place in Yugoslav local government. Associations such as Trade Union Federation, Servicemen's Federation, Federation of War Disabled, Pensioners' Association, Association of incapacitated workers, etc., collaborate with the organs of local government, taking part in councils and committees, and are of high importance in promoting and popularizing scientific achievements among the people.

The most important associations from a democratic point of view are the political organizations, the Socialist Alliance and the League of Communists. These contributed extensively to the relaxation of state control. Their influence is a centralizing one, while they act as safety valves. The task of the League of Communists is meant to be an indirect one, i.e. through ideological work of persuasion and explanation, since the members of the League of Communists do not enjoy any special rights on account of the fact that they

are League members.

The Socialist Alliance is an organization in which citizens who accept socialist ideas concerning the building up of the country may, whatever their philosophical or ideological inclinations, co-operate actively, either by asking questions, pointing out problems and even criticizing the policy of any agency or institution. In this way the Alliance creates an opportunity for free expression of different opinions on important questions. This kind of debate is considered to have a positive influence on the decisions of the independent organs of the factories and opštinas, on the central government, etc. 1)

It may be expected, however, that the character of the League of Communists and the Socialist Alliance will change extensively, once there is no

¹⁾ A. Vratuša, Introduction, The Yugoslav commune, International Social Science Journal, Volume XIII, No. 3, 1961 (UNESCO).

further need for an ideological campaign for socialism, that is, when socialism has been established both economically and politically.

Finally, mention must be made of the function of control carried out by the district assembly, its advisory bodies and administrative organs. The relations between opština and district assemblies are not those between superiors and subordinates. The legality of work in the opština is controlled by the district. In exercising this right, or rather in fulfilling this duty, the district assembly is entitled to nullify or cancel any illegal act of the opština assembly. The right of control is strictly limited to control of legality of acts passed by the opština assembly.

An interesting development in Yugoslavia is that of the neighbourhood centre. This institution is not based on any particular "community centre ideology", but the result of practical needs. The purpose of the neighbourhood centres, which have a purely local significance, is the management of houses. All houses with three and more separate dwelling units are managed by a body, the housing council, elected by the tenants for the period of one year. 1)

3. Evaluation

It may be seen from what was described above, that the opština in Yugoslavia is a fundamental component of the whole system of self-government. The socio-political and legal basis of this development is not laid down as a consequence of a concession made by the central authorities to local aspiration, but as a socialist right to self-government by workers, guaranteed by the Constitution. According to Yugoslav ideas, the socialist state must be so organized that it will increasingly transfer its own functions to independent agencies and organizations of the workers and at the same time develop the means of production and strengthen the socialist conscience of the citizens.

The recent development of local self-government in Yugoslavia is the final achievement of the old demand to reach progress of political and social movements. The new rôle of the opština which has been set out above necessitated changes in relations affecting production and the beginning of transfer of ownership of the means of production.

The system of communes has two fundamental meanings:

- 1. sociologically: it designates the socio-economic structure of the basic local commune, the opština, within which new socialist social relationships are being established on the basis of social ownership of the means of production; and in rural areas the different forms of socialization or co-operation and limitation of individual ownership of land among peasants.
- 2. politically: commune implies a self-government structure, but also a particular structure that has been to a large extent removed from state control. This structure is made up of autonomous economic organs within an opština (enterprises, co-operatives, etc.) and those autonomous institutions providing social services (schools, cultural and artistic institutions, hospitals and health establishments, social institutions, etc.). In a wider sense, this system

¹⁾ E. Puciò, The emerging system of neighbourhood centres in Yugo-slavia, International Review of Community Development, Nr. 1, 1958.

is a sort of symbiosis of local self-government and the mechanism of social self-administration. 1)

4. Central Agency dealing with local government

In Yugoslavia there is no central agency especially dealing with local government. This seems to indicate the different position of the system of local government. There seems to be no need for an advocate of local government in the Federal Government. Much is done by the Standing Conference of Towns, which represents the opinions of local authorities. 2) This is a voluntary organization of the opštinas in the country. It carries out two basic kinds of activity. In the first place, it acts as a platform for the exchange of experience between its members on all questions of interest to the assemblies and their organs. Secondly, it considers the relations and problems which demand different legal regulation by the Federal National Assembly and the Federal Executive Council, collects the necessary materials, formulates proposals and forwards them to the organs concerned. It seems that the Standing Conference plays a rôle of real significance in the political system.

The Secretary of the Interior has no special task with local government.

Many other secretariats, however, deal with local government.

The Law on State Administration contains the general principle that federal and republic organs of government have to bring about improvement of the organization of the services and technical operations in various bodies or spheres of administration.

One way of technical assistance is the issuing of instructions by federal and republic bodies. These instructions which provide technical guidance for

the organization of services, may be obligatory and non-obligatory.

The Law on State Administration stipulates that administrative bodies of government are authorized to issue instructions only for the performance of tasks which are within the exclusive competence of the Federation, i.e. to regulate affairs of general interest to the Federation or republics (1) receipts of the Federation; (2) general social funds; (3) implementation of the provisions of the Federal Social Plan; (4) gathering and processing of economic, demographic and other statistical data; and (5) various forms of inspection.

Non-obligatory instructions are primarily directed towards improving technical operations in a given branch or sphere of government. These instructions have greatly contributed towards ensuring a more uniform and rational execution of various tasks. These instructions are very useful in the case of those activities with which the assemblies have to deal most often and which consume a great part of the hours of work of different em-

¹⁾ Jovan Djordjević and Najdan Pašić, The Communal self-government system in Yugoslavia, International Social Science Journal, The Yugoslav commune, p. 389-391.

²⁾ The name Standing Conference of Towns may be misleading, since towns in a legal sense do not exist. Since 1955, are only known: opstina and district. However, before 1955, there were municipalities, towns and cities and the Standing Conference existed at that time only for urban municipalities. At present it includes 205 opstinas out of the 774 existing in the country, although there is much talk about association of the others, the fact remains that the Standing Conference is mainly concerned with problems of an urban nature.

ployees. The elaboration of procedures for the carrying out of various tasks as well as of corresponding forms, models of correspondence, registers, etc., has made it possible to entrust with this work employees with lower professional qualifications.

In addition to issuing instructions, higher administrative bodies of government engage for the purpose of improving services and the performance of

employees in the following activities:

- a. organizing technical consultations for discussing the implementation of laws and other regulations. New laws and other regulations are discussed at consultations and in instructions issued for their implementation. Higher bodies also have the task to organize technical consultations for discussing organizational, technical and other questions of general interest for the proper functioning and improvement of services;
- b. providing expert opinion and explanations for the application of regulations. Higher bodies of government are under obligation to provide expert opinion and explanations in connection with the rendering of technical assistance to lower bodies of government;
- c. drawing attention to shortcomings and illegalities in work. Higher bodies usually establish services which follow the activity of corresponding bodies in opštinas and districts;
- d. transmit the positive experiences acquired in the course of their work. Bodies of central government may offer to lower bodies of government useful advice concerning the implementation of various regulations, organization and functioning of services, etc.;
- e. preparation and publication of manuals and other technical books and preparations;
- f. application and use of other measures and forms of co-operation, promoting the establishment and development of professional ethics and internal discipline in a given branch of administration.

In general, it is apparent that the system of relationships is not based on hierarchical subordination. The bodies of opštinas and districts consider the bodies of central government as their technical helpers, who, through various forms of technical assistance, make it easier for them to organize their administrative work in a better and more effective manner.

The central bodies also organize periodically important actions, often at the initiative of local authorities, expressed directly or indirectly through the Standing Conference of Towns. During the last two years important work has been done in connection with the determination and implementation of the

organization and reform of local government.

Following numerous initiatives emanating from local authorities, the corresponding federal bodies have carried out a vast amount of work with regard to the study of the situation in the field of local government, the adoption of principles for the more rational organization of local government and the extending of concrete assistance to local units of government for the implementation of these principles. The aim of this action is to make local government more efficient, to enable the local authorities to operate in an up-to-date manner, to reduce the costs of their operations and to enable them to follow through their work, developments and trends in all spheres of the Yugoslav society.

Another important activity began in 1960, and is concerned with the study of the system of salaries and the introduction of a new, more stimulating

system of remuneration of employees.

Although it is one of the duties of central government to render technical assistance to local bodies of government in their respective fields, most of the assistance is channelled through special technical institutions established by the central government; such as the Institute for Public Administration, the Institute for Town planning, Housing and Communal Affairs; the Institute for the Study of School and Educational Problems, etc. There are similar institutions in the Republics. However, none of these institutions has been established solely for the purpose of rendering assistance to local authorities, although this is one of their major tasks.

5. Local Government Administration

Bureau-technical demonstration centres are organized in all republic centres. In these centres employees of assemblies may get acquainted with modern office equipment and bureau-techniques, the work of various business machines, the possibility of acquiring them, etc. A special service has been organized for repair and maintenance of these business machines.

6. Institutes for Public Administration 1)

These institutes assist the assemblies to organize their administration, the rationalization of services, the simplification of organization, rationalization of various mass working procedures, elaboration of various manuals, etc. They publish handbooks for assisting the personnel services of assemblies, i.e. on rôle, tasks and methods of the work, recruitment of new employees, technical training, methods of selecting personnel, etc. The institutes also stimulate rationalization projects in the assemblies, and award prizes for rationalization proposals for various services and popularize and publish such proposals. At the moment there is an action "Citizen and Administration", for which employees of assemblies make proposals for the rationalization of various procedures in the relations between the local authorities and the citizens. The best proposals are appraised by a special commission, which rewards and publishes them.

The institutes also direct attention to the creation of typified office equipment and furniture. They also give assistance and advice with regard to the construction of new administrative buildings, organization, methods of work and use of equipment.

For instance, the federal Institute for Public Administration has recently organized seminars on methods of management in public administration; a seminar for lecturers in courses for the training of experts for the organization and implementation of operations, etc.

The Institute for Public Administration of Serbia organized in 1961, 7 seminars, which were attended by all employees dealing with questions of organization and methods in the assemblies of opštinas and districts.

In order to promote the technical training of the employees of assemblies 8 higher administrative schools have been set up in the main Yugoslav cities recently. These schools are attended as a rule by employees of assemblies, who have received scholarships for this purpose. Extracurricular studies are also organized by these schools to enable employees to extend their knowledge and skills. These are very important, since the number of these students is much larger than that of the regular students.

¹⁾ There seem to be numerous of these Institutes, founded on federal, republic, district and even opština level.

The institutes stimulate the students to take up work in the assemblies by awarding prizes for special papers on the work of assemblies to students of the faculty of law, economics, etc.

7. Personnel

Apart from the Institutes for public administration, special personnel services of the Federal government and the government of the republics deal with personnel problems. The Federal and republic organs are statutorily obliged to deal with questions of personnel, to provide personnel, to organize technical examinations, courses, including correspondence courses, seminars, etc.

8. Finance

The central government bodies responsible for financing extend important technical assistance to the bodies of assemblies dealing with these matters. They issue technical directives, instructions, organize seminars, publish technical publications and manuals, organize consultations, etc.

The General Investment Fund invites tenders for the granting of credits for the construction of determined economic purposes. Opština investment funds take part in competitions to obtain credits, with the condition that they finance one part of the investments from their own means. Credits are granted after a careful analysis of economic conditions, sources of labour, etc.

The contracting and servicing of investment loans is done by the Yugoslav Investments Bank as well as by other banks authorized by special regulations. Communal banks may also grant investment loans from their resources.

Special bodies of the assemblies used to be entrusted with the task of inspection, control of financial operations and the drafting of annual financial reports. At present this is done by the Public Auditing Service within the National Bank.

A special social service organized within the National Bank is social accountancy, which controls and inspects the legality in monetary operations of all the bodies which are entitled to manage social funds.

The Standing Conference of Towns helps the assemblies to draw up their budgets.

9. Purchasing

There is no central government agency which provides services for the purchase and storing of office supplies and other equipment for the assemblies. Only the institutes for public administration provide in this respect advice to the assemblies at the latter's request. They conclude contracts with the producers of furniture and supplies, provide comparative surveys on qualities, prices, etc.

10. Planning

A general economic plan - the communal plan - is adopted yearly by the opstina, while perspective social plans are adopted for periods of several

years. The communal plan provides a survey of the situation and programme of development in the fields of economy, schools, health institutions, social security, etc. Through its plan the opština extends assistance to economic organizations in its territory. The communal plan serves as a link between the individual plans of various economic organizations and institutions engaged in the field of public service.

The general economic development and the developmental trends of the economy as a whole are set by the Federal Social Plan. The general economic plan of the Federation provides one of the foundations for the elaboration of social plans of the opstinas, in addition to the plans of economic organizations

located in the territory of the opstina.

The institutes for economic planning in the Federation and the republics render technical assistance to the planning bodies of the assemblies. Important assistance in this respect is also rendered by a special committee for town planning of the Standing Conference.

11. Programme Improvement

Constant assistance to the assemblies with regard to the evaluation of the effectiveness of their activities and of the work of the administration as a whole is rendered by the central government, specialized institutes, the Standing Conference, professional associations, etc.

Of great value are the seminars organized and handbooks prepared for the analytical evaluation of the work and costs of the activities of government,

organized and prepared by the institutes for Public Administration.

The Standing Conference publishes publications acquainting the assemblies with the results obtained in various fields. In 1961, the Standing Conference organized extensive exchanges of experiences in the field of housing, health services, the work of children's institutions in the opštinas, local tourism and recreation, coastal tourism, methods for financing schools, methods for financing and organizing public utilities, ways and methods of work of town planning services in urban areas, etc.

12. Legal Advice

The Federal Executive Council and the Republic executive council issue instructions which embody provisions in accordance with which bodies and services shall act on the organization of services, in the undertaking of certain measures for the implementation of provisions. The Federal Executive Counzil and republic executive councils adopt obligatory explanations of their regulations. These explanations are compulsory for the bodies of government, but not for the courts, if these find that they are contrary to the law or to a decree of the Federal Executive Council or another regulation.

The Federal Assembly and the assemblies of the republics have special commissions for the interpretation of laws. The interpretations given by these commissions enter into force forthwith. However, the commissions are bound to submit their interpretations to the first coming session of the Assembly

for approval.

Federal bodies of government provide official explanations of federal regulations, as well as opinions of various experts working in these bodies, if an assembly requests the explanation of a regulation. These official explanations are not binding for the courts. They have the character of comments referring to various articles of regulations in order to elucidate their actual

meaning. A large number of official explanations is issued every year. Explanations related to finance are usually published in the review "Finansije" while other explanations are published in the review "Nova Administracija". Thus, in addition to the body which has put the question, a broad circle of interested bodies and employees is acquainted with the explanations.

The Information Service of the Standing Conference also provides legal advice at the request of various bodies of assemblies. This service consults regularly the corresponding expert bodies of the federal and republic state administrations. Moreover, important regulations are regularly commented on at meetings of the bodies of the Standing Conference and the assemblies are informed thereof through the Bulletin of the Conference. Broader circles of readers are also informed through special annexes attached to the review of the Standing Conference publication "Komuna".

With a view to assisting the assemblies to prepare new regulations, the Standing Conference organizes special seminars, where employees of assemblies get acquainted with the purport and aim of adopted regulations and methods for implementing them. Thus, in April 1961, a large seminar was held for the employees of assemblies engaged in the field of public health. The seminar was held in connection with the adoption and implementation of the General Law on the organization of Health Service, which has placed the financing of health service on a new basis.

The Standing Conference and the Public Administration institutes assist the assemblies with regard to the elaboration of additional regulations, forms of decisions in administrative proceedings which are based on new federal or republic regulations. The assemblies are in the greatest need of legal assistance in connection with the elaboration of their own regulations.

The Informative Service of the Standing Conference follows the various local regulations and forwards to the assemblies those regulations which may be of interest to all assemblies from the point of view of the actual needs of local authorities. At request this service sends to the assemblies regulations pertaining to a particular field, which have been made by assemblies of local communities similar in size, with problems similar to the opština which made the request. Also collections of regulations, accompanied by comments are published.

The Public Administration institutes organize special seminars for the legal and technical elaboration of regulations and the preparation of normative activities of assemblies. Interesting local regulations are discussed at the meetings of the bodies of the Standing Conference or at technical consultations organized by other institutions.

3. Co-ordination among Local Authorities

The law allows the possibility of association of opštinas or of their respective services. The district, for instance, is becoming in the Yugoslav system of local self-government to an ever increasing extent an association of opštinas to which they transfer independently and voluntarily the conduct of affairs of common interest. A whole series of institutions in the district, particularly of a technical character, provide services to all opštinas in the district. Such technical institutions are, for instance, the district institutes for planning, the institute of statistics, the institute for education and paedagogical service, etc. The opštinas finance these institutions jointly. In this way the rôle of the district as a "higher organ" of local government is changing to an increasing extent. On the other hand, its co-ordinating, instructive and expert functions concerned with affairs of common interest to the opštinas of the district are growing ever stronger. The bodies of government of the dis-

trict assemblies are also increasingly assuming such a character. The district ceases to deal directly with everyday affairs, which are transferred to the competence of the opstinas, while the bodies of government in the district assume functions of co-ordination and technical direction, extend assistance to corresponding bodies of government in the opština, organize technical training, etc. In this way the functions of government and self-government are still further decentralized and are transferred from the district to the opština, while on the other hand, there is a centralization of technical know-

how, material means, personnel, etc.

In addition to inter-communal co-operation through district bodies and institutions, the opstinas also associate themselves directly for the carrying out of certain common activities. The law provides for the organization of common services in various fields for two or more opštinas. The central government stimulates, propagates and draws attention to the need of association of opstinas to carry out their work more rationally. There are many examples of such organizations of common services. However, this process is only in its initial stage. Certain problems have already occurred with regard to relations between developed and underdeveloped opštinas, the question of location of various services, the question of respective shares in common financing and with regard to the equal performance of the common service for all associated opštinas. It is obvious that underdeveloped opštinas should be more interested in common services than developed urban ones. However, there are many signs that common economic interests, rational and more economical management as well as the utilization of the still scarce technical personnel are compelling the opstinas to evolve various forms and institutions of intercommunal co-operation. One of these forms is the regular co-operation between opstinas and districts, in various areas of the republics, or outside the framework of such areas, co-operation based on the criteria of similar economic and other conditions, similar problems, etc.

The central government and the Standing Conference fully encourage such initiatives, popularize and assist them. Many valuable experiences have been gained as a result of the various forms assumed by this co-operation which is based on self-initiative. In 1961, regular co-operation between a smaller group of opstinas in the Republic of Serbia was organized. This co-operation has given rise to a number of materials regarding the further rationalization of organization and methods of work of various services in the assemblies (education, health, social security, cadastra, etc.). These materials have been studied by the Republic Institute for Public Administration and circulat-

ed to all the assemblies in the form of manuals.

The Standing Conference represents the most important form of mutual co-operation of opstinas. It holds annual conferences which are attended by 600 to 1,000 representatives of assemblies. It holds meetings and consultations, organizes seminars for technical personnel, etc. It effects the exchange of experiences through the review "Komuna" and its Informative Service, Bulletin, publication of materials, studies, etc. The meetings of the Standing Conference are most suitable for a free exchange of views and discussions between the representatives of local authorities and the representatives of central government, to clear up questions and evolve methods for their solution and, in particular, for the adoption of a common standpoint by representatives of local authorities as regards questions of immediate urgency or the submission of common proposals for the adoption of measures by central representative bodies.

The Standing Conference also plays an educational rôle with regard to the creation of a co-operative spirit and search for solutions through mutual

co-operation, association and the exchange of experiences.

The co-operation between opštinas as well as their bodies or organizations and employees also assumes other forms. The professional associations of enterprises of opštinas for urban transport, sanitation, water-supply and sewage, parks, gas, etc., engage in important technical work and exchange of experiences in their respective fields. They keep the Standing Conference informed of their conclusions. All these professional associations are grouped on the level of the district, republic and Federation into common chambers. Also the professional organizations of town planners, architects, jurists, economists, engineers, technicians, etc., make a significant contribution towards mutual technical co-operation between the employees of bodies of opstina assemblies. The opstinas stimulate this type of co-operation and establish independent specialized technical institutions in the Federation and the republics, such as various institutes, technical services, etc. The institutes for the promotion of communal activities in the republics and the Federation organize joint projects of interest to several local communities. They organize technical discussions, seminars and offer other types of technical assistance to the assemblies and their technical services as well as to independent services engaged in communal activities.

4. Public Works, Construction, etc.

The central government renders technical assistance to opštinas and organizations engaged in such work, i.e. by issuing regulations providing for standardization and typization of building and other materials.

The Standing Conference has devoted great attention to questions of housing and communal development, both from the economic and legal-organizational points of view. The Standing Conference organizes at least once a year consultations for discussing questions relating to the organization of institutions which deal with housing and communal development, their status, financ-

ing, organization of technical personnel, etc.

The Standing Conference also organizes study tours in the country in order to control the state of affairs and make appropriate proposals as well as for the mutual exchange of information and co-operation between the assemblies. The Standing Conference also propagates new building methods, informs the assemblies about new developments in the field of techniques, etc. In this field the Standing Conference has ensured the broadest co-operation of interested chambers (building, crafts, industrial, etc.) of industrial enterprises manufacturing building materials, of building enterprises, the co-operation of technical personnel, town planners, builders, architects, etc., the co-operation of foreign, technical institutions dealing with these problems, etc. The Standing Conference publishes interesting technical materials from home and foreign sources, reports of study groups, materials from technical conferences, translations of interesting materials from international gatherings dealing with these problems, etc.

5. Public Safety

The Law on the Organs of Internal Affairs contains special provisions on the rendering of legal and other assistance among organs of internal affairs, which deal with i.a. (1) maintenance of law and order in the opština; (2) safety of local traffic; (3) direct organization and management of civil defence and of fire protection. The legal assistance of central organs of internal affairs to local organs and vice versa consists in the performance of some actions

in administrative proceedings (hearing of witnesses, investigations, etc.) and in providing information (sending of documents for consultation or tem-

porary use, submission of data, etc.).

The federal and republic organs of internal affairs extend technical assistance to local authorities. They stimulate and directly organize the technical training of employees working in these organs. For instance, the professional association of fire brigades also organizes seminars and discussions on questions relating to their work; it publishes a professional organ, issues non-obligatory instructions, provides information on new developments concerning the organization and the technical equipment for fire fighting, etc.

16. Health

According to the General Law on the Organization of the Health Service of 1960, health institutions have lost the character of administrative budgetary institutions, linked to the assembly and its budget - as was the case earlier. According to the law the health service is to develop independently, without any direct interference on the part of state bodies.

The influence of government bodies has been considerably reduced in this service. Not only deetatization, but also a decentralization of competences, in harmony with the principles of the system of communes, have been fully

asserted in this service.

The competence of the bodies of the Federation and the republics has been reduced to the minimum. This competence is concerned to an increasing extent with control and the rendering of technical assistance to health institutions and centres.

The health centre of the opstina has the task of harmonizing the work of health institutions with regard to questions of general interest for the health service; on the other hand, health centres in the republics and the Federation

co-ordinate the work of opstina health centres.

There are two methods of control over the work of health institutions: control over professional work and control of legality. Control over the medical work of a health institution is affected, primarily by the health centre. This control represents a method of work and of assistance in the field of the health service.

Control over the legality of the work of the health institutions is affected by the body of management competent for health affairs in the assembly of

the opštinac ditina.

Administrative affairs within the competence of the Federation are carried out by: (1) the Secretariat for Public Health; (2) the Federal Sanitary Inspectorate; and (3) the Federal Institute of Public Health, which exercises the functions of federal health centres and is under the control of the Secretariat for Public Health of the Government. This Institute has the task to study the health conditions of the people, hygienic conditions in the country and all matters relating to the protection of the health of the people; it also proposes measures for improving public health. One of the main tasks of this Institute is to offer assistance to health centres in the opstinas and to organize the advance training of health personnel in the country.

The rôle of health centre in the opština is usually played by the most developed health institution, one health centre for several opštinas is organized in smaller and less developed opštinas where the network of health institutions is inadequately developed and where there is neither need nor possibil-

ity to set up health centres in each opština.

The Standing Conference also organizes through its Committee for Health and Social Questions, an exchange of experiences among the opstina assemblies with regard to questions relating to the health service and to technical assistance.

7. Social Security

Questions relating to social security are almost exclusively within the competence of the opština. The opštinas establish social institutions whose task is to receive and accommodate persons who are in need of general or special assistance, owing to economic, social, health and educational reasons. Social institutions are set up as institutions with autonomous financing, their funds accrue mostly from the communal budget.

The following bodies carry out administrative work in the field of social security in the Federation: (1) Secretariat for Social Policy and Communal Affairs; (2) Board for the Questions of Disabled and Veterans; (3) Federal

Commission for Recognizing Eligibility to Pensions.

In many Republics there are special institutes for social questions; these are independent technical services which extend technical assistance to interested social institutions and organize the technical training of social workers, give advice, etc. Federal and republic bodies in the field of social security do not have extensive administrative competences and their functions consist, primarily in the carrying out of technical work for executive and representative bodies as well as in the extending of technical assistance to institutions and social workers.

8. Education

organs, school committees, etc.

Education is free in all schools in Yugoslavia. Schools are independent educational institutions. They enter into agreed financial relationships with the social school fund, which is formed in every opština. The work of schools is co-ordinated by the council for education of the opština assembly. There is a corresponding council in the district assembly as well as on the level of republics.

The Educational Council of Yugoslavia is a social body whose competence covers the whole Federation. The Educational Council raises questions of common interest to schools in the country and makes recommendations, discusses questions of general interest for the improvement of teaching and other forms of work relating to education and brings decisions when necessary, fixes basic curricula and school programmes, and makes recommendations and gives opinions and advice to the assemblies of opstinas, their educational

The Federal Institute for the Study of School and Educational Questions organizes, in its capacity of a professional institution for the advancement of education, the study of problems in the field of education and particularly, in regard to teaching and methods of work in schools and other educational institutions. It studies experiences, results and achievements in the field of paedagogical theory and practice and promotes the taking of measures for the application of modern educational and teaching methods. There are corresponding institutes in the republics. The following institutes are to be found in the Republic of Serbia: the Institute for Elementary Education and the Training of Teachers, the Institute for Vocational Training and the Institute for Teaching Aids and School Equipment. All these institutions extend technical

assistance to schools and educational personnel, and, in particular to educational and paedagogical service in opštinas and districts.

. Conclusion

From what was stated above, the conclusion may be drawn, that local government is a very vital institution in Yugoslavia and that much is being done by the central government, the Standing Conference and various institutions such as special funds and institutes to render necessary assistance to the opštinas.

The question arises, however, whether there is not too much opportunity to acquire assistance from too many sides. What will happen when conflicting advice or suggestions are being given from different quarters? However, problems such as these seem always involved in a situation of change or in an initial stadium as that in which Yugoslavia finds itself at the present

The present tendency is a rather interesting one. After breaking with the centralized administration, there was introduced a growing vertical and horizontal decentralization in Yugoslavia. This development seems to have caused the felt need to strengthen the centralized functions to ensure the working of the decentralized system and the implementation and assertion of self-government. This caused a strengthening of the network of central institutions for assisting self-government bodies in successfully carrying out their activities, institutions for making analyses, for control and statistics, as well as institutions extending professional, technical, organizational and other assistance.

Also on the level of the district and republic institutions providing for the professional association of self-government organizations are increasingly being developed (economic chambers and associations, health centres, etc.).

The professional institutions for extending assistance to the assemblies and their bodies, which are being developed (institutes for public administration, town planning, etc.), are considered of great importance. The governments of the republics and the federal government assist them materially and organizationally, staff them with personnel and popularize their work. The more the central functions are reduced in volume and the more the bodies of central government are concentrated and their functions transferred to local and self-government bodies, the more extensive the network of technical and analytical central institutions for extending assistance to self-governing bodies and for informing central government bodies of the situation and processes developing in local communities seems to become.

Sources: For drawing up this report use was made of the following main sources, apart from the publications already mentioned in the footnotes and the answer to the Questionnaire prepared by the Standing Conference.

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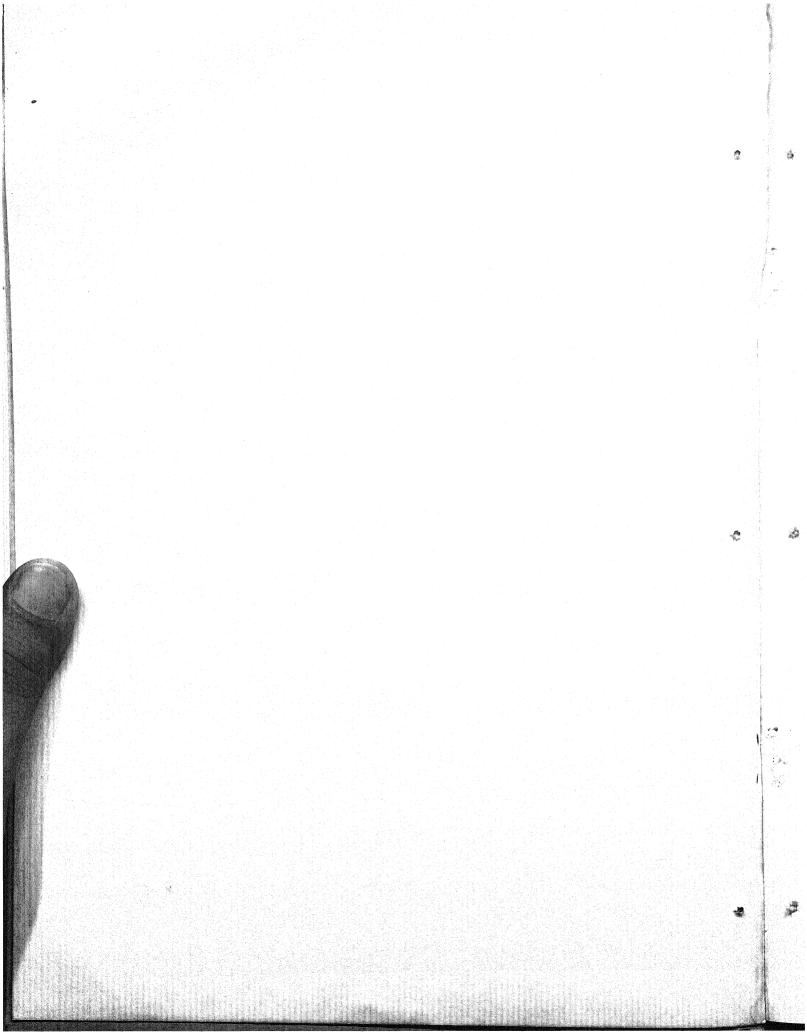
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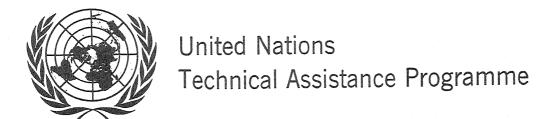
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Public Administration Aspects of Community Development Programmes

Office for Public Administration
UNITED NATIONS
New York, 1959

ST/TAO/M/14

UNITED NATIONS PUBLICATION Sales No.: 59, II.H. 2

Price: \$U.S. 1.50; 10/6 stg.; Sw.fr. 6.50 (or equivalent in other currencies)

TABLE OF CONTENTS

		Page
I.	INTRODUCTION	l
	Purpose	1 1 2
II.	TYPES OF PROGRAMMES	5
	Integrative Programmes	5 7 7 8
III.	ORGANIZATION	10
	Factors Influencing Organization	10 15
	Voluntary Organizations	19 20
IV.	PLANNING AND FINANCE	25
	Planning	25 27
ν.	SPECIAL PERSONNEL REQUIREMENTS	33
	The Need for Village Level Workers	33 41 42 43
VI.	COMMUNITY DEVELOPMENT AND LOCAL GOVERNMENT	47
	Relationships Between Community Development and Local Government	47 49 51
	Urban Community Development	54 57
VII.	CONCLUSIONS	60
TII.	RECOMMENDATIONS	64

TABLE OF CONTENTS (continued)

		Page
APPENDI	CES	
I.	LIST OF WORKSHOP PARTICIPANTS	69
II.	PUBLIC ADMINISTRATION ASPECTS OF INDIA'S PROGRAMME OF COMMUNITY DEVELOPMENT	71
III.	RURAL DEVELOPMENT IN CEYLON	83
IV.	THE CCMMUNITY DEVELOPMENT PROGRAMME OF GHANA	93
٧.	THE NATIONAL INDIAN INSTITUTE OF MEXICO AND OTHER COMMUNITY DEVELOPMENT PROGRAMMES	100

I. INTRODUCTION

Purpose

l. This study analyses the public administration aspects of community development programmes, defines distinctive public administration problems involved in such programmes, and suggests research and other activities that may lead to a better understanding of these problems and to methods for their solution. It is addressed primarily to government officials and technical assistance experts who may be involved in formulating or improving community development programmes and to those engaged in the study of public administration and community development. Although it is analytical rather than prescriptive, the study suggests important factors which ought to be considered in designing or assessing the administrative features of community development programmes. Moreover, it provides a framework for the systematic development of further knowledge on the subject.

Background

- 2. The study was requested by the Social Commission and approved by the Economic and Social Council as part of the work programme of the United Nations for 1957-59.1/The request reflects a need felt by Member Governments and international agencies for an analysis of the problems of organizing and administering community development programmes.
- The Office for Public Administration of the United Nations carried out the study with the co-operation of the Community Development Group of the United Nations Bureau of Social Affairs. The first draft was prepared in late 1957 and was based largely on an examination of published materials and reports of United Nations experts in community development and public administration, including reports of United Nations study missions which visited community development programmes in various parts of the world. Some of the examples cited may no longer reflect the current situation but they are still useful for illustrative purposes. The draft was revised in May 1958 in the light of comments received from administrators and specialists in many countries and from an ad hoc inter-agency study group consisting of representatives of the Food and Agriculture Organization, the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, and the United Nations. draft was examined by the Working Group on Community Development of the Administrative Committee on Co-ordination which endorsed a proposal included in it that the United Nations convened a Workshop of Experts to review the revised draft, including its recommendations for research and other activities.
- 4. A United Nations Workshop on Public Administration Problems Involved in Community Development Programmes (hereafter referred to as "the United Nations Workshop") was convened for that purpose at the Institute of Social Studies in The Hague from 12 to 23 January 1959. It consisted of administrators of community

Official Records of the Economic and Social Council, Twenty-fourth Session, Supplement No. 9, annex II, project 8.3 and ibid., Supplement No. 1, resolution 663 A (XXIV).

development programmes in seven countries, experts designated by the specialized agencies concerned in agriculture, education, and health, as well as specialists in local government and public administration. A list of the participants is presented in appendix I. Participants prepared papers, which were circulated in advance of the meeting, describing the community development programmes in their respective countries or analysing administrative problems involved in community development as seen from their respective specialty. Four of the papers, which best illustrate the different types of community development programmes identified in the study, are appended to it. The Workshop commented in detailed on the draft. 2/ Its report, together with written comments which had been received on the draft, formed the basis for this final version of the study.

5. Persons in many countries have thus contributed to the study by supplying information, sending comments on drafts, preparing papers, and participating in meetings on the subject. The responsible offices of the United Nations acknowledge the value of their contribution and are grateful to them for it.

Scope

- 6. The term "public administration" as used in this report refers to the organization and administration of the executive activities of national and (in federal systems) state government and to local government, including relations between units of government.
- 7. The term "local government" refers to a political subdivision of a nation or (in a federal system) state which is constituted by law and has substantial control of local affairs, including the power to impose taxes or to exact labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected.
- 8. The term "community development" as defined for working purposes within the United Nations, refers to "the processes by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress". 3/ The distinctive features of community development programmes are "the participation by the people themselves in efforts to improve their level of living with reliance as much as possible on their own initiative; and the provision of technical and other services in ways which encourage initiative, self-help and mutual help and make them more effective".
- 9. We are thus concerned with the organization and administrative aspects of governmental programmes which seek to encourage and make effective the will to community self-help and with the relationship of such programmes to other activities of government and to local government.

-2-

^{2/} Report of the United Nations Workshop on Public Administration Problems Involved in Community Development Programmes ... The Hague, 12 to 23 January 1959 (annex to E/CN.5/334/Add.4, United Nations, 1 May 1959).

Official Records of the Economic and Social Council, Twenty-fourth Session, Annexes, agenda item 4, document E/2931, annex III, para. 1.

- 10. The main body of this report relates to community development in rural areas. The public administration aspects of urban community development programmes appear to be quite distinctive and are discussed briefly in the chapter on local government (para. 147-151).
- ll. In some countries, non-governmental organizations play an important role in stimulating community self-help effort. Although this study is confined to community development programmes administered by government, it is also concerned with the means of bringing local voluntary organizations into closer association with government in such programmes. This is discussed in the section on organization (para. 49-51).
- 12. The community development approach may be initiated in a given area by one technical service in its specialty (e.g., agriculture, health, or housing). Experience has proven that such single-purpose programmes must, if they are to be effective, take on or attract related technical services; 4/ at that stage, their public administration implications become significant. However, as long as such programmes are confined to a single purpose, their effect on the rest of the government is likely to be minimal and no special attention has, therefore, been given to them in this study.
- 13. The distinctive public administration aspects of community development programmes become clearly evident only when one or more ministries begin to deal with groups or communities on a general or multi-functional basis with a view to helping them to identify and to do something about their common concerns whatever they may be. Such programmes have the following requirements:
 - (a) Trained workers to serve as catalysts of self-help effort and to aid the people in obtaining such technical and material assistance as may be needed to make mutual effort effective;
 - (b) Timely technical advice to aid the people in planning and executing community effort;
 - (c) Material assistance, where necessary, to the extent and at the time required to make the will to self-help effective; and
 - (d) Institutional means (e.g., local government and co-operatives) to maintain certain types of facilities or activities established through voluntary effort.
- 14. The provision of these requirements can, depending on the nature and scope of the community development programme, affect the general organization of government at various levels; relationships between departments and between headquarters and field personnel; the division of powers and functions between the various levels of government; planning and financial processes; personnel requirements; and the relationship generally between the citizen and his government. In some countries, it calls for the transformation of the primary role of government from one of maintaining order to one of helping the people and consequently for changes in the attitudes of personnel, particularly general administrative personnel in the field.

-3-

^{4/ &}quot;Health improvement programs cannot proceed beyond a certain point without the collaboration of other agencies", see <u>Health</u>, <u>Culture and Community</u>, edited by Benjamin D. Paul, New York, Russell Sage Foundation, 1955, p. 349.

It often involves the extension of scientific knowledge and technical services to hitherto culturally isolated peoples and the creation or resurgence of the local community as an important institution in the life of the individual, the nation, and the world. It can and should increase the participation by the people in government, make government more responsive to people's needs, contribute toward a more integral - less segmented - approach by government to the individual and the community, release dormant talent and energy in support of community and national objectives, and provide a means for facilitating social re-integration while introducing changes in attitudes, technology, and living conditions.

15. The possibilities of accelerating economic and social progress through the community development approach have inspired the hopes of leaders in many countries. Government programmes that apply this approach have been started in all regions of the world since the end of World War II. Despite differences in the nature and scope of the programmes and the environments in which they are applied, the objective which these programmes have in common - namely, that of stimulating the self-help effort of the people and of bringing about a closer association between that effort and the services of government - has provided a new basis for fruitful international collaboration. Governments have sought technical assistance from multilateral and bilateral agencies in planning and organizing their community development programmes and in training personnel to execute them. As could be expected, administrative problems have been encountered in the execution of these programmes - some of them originating with the technical assistance agencies themselves. It is hoped that this study will, by identifying these problems and suggesting methods or additional studies that may lead to their solution, contribute toward better administration of community development programmes and of public administration generally in the countries concerned and that it will strengthen the foundation for technical assistance, research, and exchange of information in this important field.

II. TYPES OF PROGRAMMES

- 16. Community development programmes may generally be classified, for purposes of this study, according to their geographic scope, emphasis on development or on community organization as the main objective, and effect on the prevailing structure of government, into three categories as follows:
 - (a) Integrative type. This type of programme is designed to be country-wide in scope, emphasizes development, and the co-ordination of technical services, and many involve in the early years substantial changes in the administrative organization and functioning of government. It has a readily identifiable organization which is designed to marshall and co-ordinate at each level the efforts of governmental and non-governmental agencies which can make a contribution to community development. In scme cases, new administrative areas are created within the traditional ones in order to co-ordinate technical services at a point closer to the people. Substantial technical and financial resources are channelled through this organization to achieve centrally planned development goals.
 - (b) Adaptive type. This type of programme is country-wide in scope, places emphasis on community organization and self-help, and involves little change in administrative organization of government. It is designed primarily to stimulate self-help community effort toward locally determined goals and to attract the support of the technical departments thereto. Programmes of this type will be referred to as the adaptive type because they can be attached to almost any department and otherwise adapted to the prevailing administrative organization of government.
 - (c) <u>Project type</u>. This type of programme is multifunctional but limited in geographic scope to certain parts of a country and usually emphasizes development.
- 17. This method of classifying community development programmes provides a useful tool for administrative analysis. However, it has definite limitations. There are wide variations in the content and organization of programmes within the same categories. Stereotyped models are not to be inferred from the categories. As noted later, the programmes are dynamic and subject to substantial changes. These limitations of the suggested classification should be borne in mind in the description below of the main organizational features of each type.

Integrative Programmes

18. The prototype of the integrative community development programme, is to be found in India; it is described in appendix II. It was the fore-runner of similarly designed programmes in Afghanistan, Indonesia, Iran, Pakistan, the Philippines, Thailand, and Viet-Nam. (The programme in the Egyptian Region of the United Arab Republic is also of the integrative type but it had a distinctive evolution and has certain characteristics, particularly in field organization, which differ substantially from other integrative programmes). The spread of the integrative type of programme is attributable not only to the desire for integral development of rural areas (which provides the main motivation) but also to the

-5-

influence of the Indian example and to the tendency of some of the technical assistance experts in community development under both international and bilateral programmes to recommend this type of programme.

- 19. The following are some of the common characteristics of the integrative type of programme:
 - (a) An agency attached to a central planning office or to the office of the president or prime minister which has operating responsibility for the programme; another possibility, particularly at the national level in a federal system, is for a separate or neutral ministry to have primary responsibility for the programme. $\frac{1}{2}$
 - (b) A cabinet level committee, presided over by the prime minister or the president and with the head of the community development organization as secretary, which gives policy guidance and leadership to the programme.
 - (c) An interdepartmental committee, presided over by the head of the community development organization, either in addition to the cabinet level committee or in place of it.
 - (d) A development committee at the state or provincial government, administrative district, and local government level, with the chief executive of the respective unit as chairman and a community development officer as secretary. Among the members of these development committees may frequently be found not only the senior field representatives of the functional ministries of the national or (in a federal system) state government, but also representatives of local legislatures, and sometimes representatives of private welfare bodies.
 - (e) Where administrative districts or other arrangements for field co-ordination of functional ministries do not exist, cover too large an area, or are deemed unsuitable for other reasons, the creation of new types of administrative areas for development purposes which are called "development blocks" in India, "development areas" in Pakistan, and "areas of combined units" in the Egyptian region of the United Arab Republic.
 - (f) The employment of village level workers by the community development organization to serve not only as a catalyst of self-help effort but also as a link between the villagers and the government's technical services.
 - (g) The use of grants-in-aid and other inducements not only to spur self-help efforts but also to channel such efforts toward centrally established development goals.

-6-

Seldom has the administration of an integrative type of programme been placed in a functional ministry. The term "functional ministry" refers to a ministry which is responsible for one of the major technical services, such as agricultural extension, education, health, or social welfare services. The term "neutral ministry" refers to a ministry which is devoted to such matters as local government or finance and which is therefore not identified with any of the principal technical services. A "neutral ministry" is usually better able to obtain the co-operation of the several technical services than a "functional ministry".

Adaptive Programmes

- 20. Most of the community development programmes in Africa and the Caribbean fit the description of the adaptive type (i.e. emphasis on community betterment through self-help and involving little change in governmental organization). Some of these programmes include among their objectives the improvement of interdepartmental co-ordination and a better relationship between national measures and community development activities. (See appendix IV for a description of the programme in Ghana). For the most part, however, they utilize existing machinery and informal methods for this purpose. One seldom finds in the adaptive type of programme interdepartmental committees at each level of government or new administrative areas or sub-areas established especially for community development purposes. There is, perhaps as a consequence of such adaptation, wide diversity in the structure of this type of programme.
- 21. Operating responsibility for an adaptive type programme may be vested in one of the functional ministries like agriculture, education, or social welfare, in a ministry of local government, or, in rare cases, as in Kenya, in a separate ministry for community development. The field organization will take one or the other of two basic patterns, depending on whether there are administrative districts where the field activities of different departments may be co-ordinated.
- 22. Where such districts do not exist, field contacts with the technical services are arranged largely on an informal basis. This is the case, for example, in Puerto Rico where the group organizers of the Community Education Division, Department of Education, do not have formal ties in the field with representatives of technical departments.
- 23. Where administrative districts exist, community development personnel are integrated into the prevailing field organization. For example, in the British territories in Africa, a typical arrangement is for a community development officer to serve as a member of a district or provincial team which is composed of administrative and technical officers and representative members of the local communities, with the senior administrative officer presiding. There are, however, diverse forms of organization in these territories because of the common policy of adapting the existing administrative framework to the purposes and methods of community development. In Northern Rhodesia and Nigeria, for example, the district officer in charge of general administration is the chief community development officer. Although programmes referred to in this paragraph may have much the same kind of field organization as the integrative type of programmes, they are included in the adaptive category because they serve only incidentally as a channel of planned development and involve little change in the organization of government.

Project Programmes

24. This type of community development programme multifunctional and limited in geographic scope, predominates in Latin America but is also common elsewhere. It takes a variety of organizational forms. 2/ For example, it can be

-7- /...

^{2/} Pilot or demonstration projects, such as those in Afghanistan and Iran, which are intended as a possible guide for a country-wide programme, are excluded from this category as are also experimental projects which test methods.

- (a) inter-ministerial in character, with primary responsibility for administration vested in a functional ministry (e.g. the Rio Coco project under the Ministry of Education in Nicaragua); (b) in an autonomous agency under the general direction of an official appointed by the president and a council composed of representatives of ministries and other government and private institutions (e.g. the projects of the National Indian Institute of Mexico, as described in appendix V, and the Indian Economic Development Service of Guatemala); or (c) multifunctional, with responsibility for both policy and administration vested in a single department (e.g. the cultural missions of the Department of Education of Mexico, also briefly described in appendix V).
- 25. The structures of project-type programmes are usually such that they cannot be extended on a nation-wide basis without interfering with the operations of other governmental agencies. However, this is not necessarily a characteristic of this type of programme. For example, an inter-ministerial regional project might develop a pattern which is applicable elsewhere. Also, a project-type programme like the National Indian Institute of Mexico or the Indian Economic Development Service of Guatemala might be designed to establish services in remote areas for which the regular ministries would initially provide technical support and later assume responsibility.

Dynamic Aspects

- 26. These are, of course, broad categories. As mentioned earlier, the programmes within each category differ substantially in purpose, organization and method of administration. Moreover, it is difficult in certain cases to decide whether a programme should be classified as integrative or adaptive. The programmes in some countries for example, Burma, Ceylon (see appendix TII), Ghana, Jamaica and Uganda exhibit characteristics of both types.
- 27. Furthermore, programmes in all three categories may be highly unstable. Community development can be an intensely dynamic process. Under conditions favouring the ever-widening application of community development concepts in an under-developed country, it is possible to visualize a logical progression from the project to the integrative to the adaptive type or from the adaptive to the integrative and then back to the adaptive type after which a stage might be reached in which special governmental machinery to stimulate community development became unnecessary.
- 28. The starting point and method of progression will, of course, differ according to circumstances in the countries concerned. The present integrative type programmes in the Egyptian region of the United Arab Republic and the Philippines, for example, evolved from a situation in which various departments of government were each carrying out multifunctional projects, a situation such as exists in Mexico today. The effort in Ghana to accelerate the pace of development through increasing use of "campaigns" is producing evidence of the integrative type in a programme which could until recently readily be classified as adaptive. The integrative type programme in India was launched straight away, with only some experimentation beforehand on a pilot project basis. However, this and other integrative type programmes will in due course take on characteristics of the adaptive type as the organization of the programme and the methods of relating community self-help to government effort become more stable.

- 29. The adaptive type programme should not be regarded as a device by which a developing country can get cheaply the same results from the standpoint of either administration or development as are possible through an integrative type of programme. Co-ordination of public services is necessary in all types of programmes. Where political leadership is enthusiastic and unified in support of the community development approach, it may be possible to start with an integrative type programme, whereas elsewhere it may be through the expression of people's needs that integration develops. A government of a developing country may start with an adaptive type programme, but if it seeks to have the community development concept underlie its efforts and relations with its citizenry, it should expect changes in administrative organization and processes until the technical services intermesh effectively at the community level and are oriented toward gaining the participation of the people in their activities and toward supporting the self-help efforts of the people.
- 30. Despite the wide variety of programmes in each type and the unstable quality of many programmes, the suggested classification is useful. It makes it easier to visualize the probable impact of different types of community development programmes on public administration in the respective countries. It highlights differences in the nature of programmes and the interests of political leadership that call for differences in organizational design. The classification also serves as a useful framework for administrative analysis because it facilitates the identification of comparable elements in the programmes of different countries. Finally, it suggests that the services of public administration specialists will be useful in planning, designing, and establishing all types of community development programmes and, in the case of integrative and some project type programmes, their services may be essential not only in the installation phase but also for making the continuous adjustments in organization and methods that will be required.

III. ORGANIZATION

Factors Influencing Organization

31. As indicated above, the organization for community development purposes will be influenced by the scope and nature of the programme. There are also, however, a number of other relevant factors:

(a) Federal or unitary system of government.

A federal system requires more complicated arrangements for co-ordinating the efforts of ministries at central and state levels and for the related task of strengthening local government.

(b) Extent and constancy of interest of political leaders.

The interest and dedication of the highest political leaders appears to be necessary to establish and maintain successfully community development programmes, particularly integrative type programmes. Where such interest exists only in one or two ministries, an adaptive or project type programme may be more suitable. Where national and regional political considerations produce decentralization of initiative in various autonomous or semi-autonomous public agencies, care must be taken in applying traditional concepts of central executive control so as not to wipe out or stifle this initiative. In such cases, special administrative procedures might be devised to satisfy the requirements of financial control while allowing freedom for programme development. In countries lacking political stability (e.g. with frequent changes of governments or ministers) it is especially important that the community development programme does not become identified with particular leaders or political groups; in such circumstances other means of ensuring growth and stability must be sought, such as by bringing the people to a realization of the programme's dedication to their welfare and its honest and efficient methods of operation.

(c) State of development of institutions.

In a nation with well-established political, legal, and administrative institutions, substantial reliance can be placed on formal organization, whereas in a nation lacking these qualities personal relationships are greater determinants of administrative behaviour.

(d) Tradition of field co-ordination of government activities.

The integrative type of programme may be installed more readily in governments which have an administrative tradition which is conducive to field co-ordination of functional ministries - for example, a combination of a parliamentary system and administrative districts - than in governments which lack this tradition - for example, those having a combination of presidential systems and of departments which have for many years maintained direct control over their field activities.

-10-

(e) Strong or weak local government.

Where local government is strong (i.e. representative and effective), community development can be closely linked with it or even to some extent channelled through it. Where local government is ineffective or corrupt, a different relationship will be required and the strengthening or reform of local government may be a necessary condition to the success of the community development programme. Where local government does not exist, community development activity may stimulate its growth.

(f) Extent of non-governmental and international assistance in fields related to community development.

Substantial assistance may necessitate provision for participation in programme planning by the agencies which provide the assistance.

(g) Availability of technical personnel and other resources in relation to area, settlement pattern, population density, and ease of communication.

This will substantially affect the design, scope and rate of expansion of the programme. In a country where technicians are available in sufficient numbers to render direct services to villagers on a continuing basis, the village level worker - if needed at all - is likely to serve more as a catalyst of community self-help effort and less as an agent of technical departments than in a country where technical personnel is spread more thinly. These differences could in turn affect inter-departmental relations at each level.

(h) Availability of institutional means for supplying credit and materials.

Institutional means for ensuring the flow of supplies and credit are needed to sustain extension programmes in agriculture, home industries, and other fields. Where institutions for these purposes, such as co-operatives or suitable commercial channels, are lacking, provision for their establishment must be made simultaneously with the extension services.

(i) Conditions of land tenure.

Existing conditions of land tenure in some countries will seriously lessen the chances of success with community development programmes. It may be necessary as an early step in community development for the governments of such countries to find some effective way of ensuring the tiller of the soil a large enough share of the produce of the land to make it economically feasible for him to adopt improved agricultural methods. The widespread ownership of land by cultivators will also give the people a greater stake in the general development of their community. The improvement of the land tenure system may thus affect the phasing as well as organization of a community development programme.

- 32. So many factors, which vary between countries, should be taken into account in designing the organization of a community development programme that it is impracticable to formulate rigid criteria or stereotyped models of organization. Nevertheless, certain types of generalizations about organization may be possible and should be kept under study. For example, the doctrine, often stated in the past, that responsibility for community development programmes should not be placed in a functional ministry - that is, agriculture, education, social affairs, and so on - seems valid only in reference to integrative type programmes in which emphasis is placed on co-ordinating such services at various levels and relating them to community interests and needs. Even a neutral ministry (like local government) or a separate ministry of community development would probably have difficulty in persuading other ministries to act. Responsibility for executing integrative type programmes should normally be vested in the office of the president, prime minister or chief minister, and his leadership of the programme should be clearly evident. Under a federal system where the authority to execute the community development programme is vested in the state governments, responsibility for planning and financing community development at the national level can be vested in a separate or a neutral ministry, as in India, but responsibility for carrying out the programme at the state level should normally be vested in the chief minister. Although there is general agreement on these points, research is needed on what functions the community development agency or ministry should have and what its relations should be with the functional ministries. Similar questions may arise regarding the functions of the responsible agency in some adaptive and project type programmes. 1/
- 33. Adaptive type programmes may start in a functional as well as a neutral or separate ministry. However, where formal organizational relationships influence the responsiveness of technical services to community self-help effort or where it is desired that community development workers carry out extension functions in furtherance of the "campaigns" of technical departments, a separate or neutral ministry is usually to be preferred.
- 34. Project type programmes may be executed by any department or agency. However, major inter-ministerial projects, such as river valley development schemes, will usually be best administered by an autonomous agency, an agency under the chief executive, or a neutral or separate ministry. They will usually require identification with the chief executive until they have developed other institutional supports.
- 35. These generalizations on the proper place within a government in which to vest primary responsibility for each type of community development programme may be useful as general guides but will, of course, usually require qualification when applied to local circumstances. For example, a minister may have such ready access to the chief minister that he is able to get the support of other ministries needed in an integrative type programme. Timing is also vital, because once a

-12-

^{1/} For an analysis of the functions of a community development agency, see the Report of the Mission to Survey Community Development in Africa, ST/TAA/Ser.D/26-ST/SOA/SOA/Ser.O/26, United Nations, 15 August 1958, paras. 39-101.

community development programme is as well-established (i.e. accepted by the people, major political parties, and administrative and technical personnel) as some of the more traditional activities and approaches of government, it will require less identification with top political leadership than during the early years. Moreover, within a country, circumstances may so differ between regions - for example between tribal and other areas 2/ - as to warrant substantial differences in programme design.

36. Comprehensive studies are needed of the administrative evolution of different types of programmes and of the experience in dealing with the problems identified in this report. Studies of programmes in the following countries are suggested for consideration: Afghanistan, Burma, Ceylon, Ecuador, the Egyptian region of the United Arab Republic, Ghana, India, Iraq, Mexico, Nigeria, Pakistan, the Fhilippines, Puerto Rico, Tanganyika, and Uganda. In fact, studies should be carried out in all countries where the governments have programmes which, in their view, accord with the definition of community development. The studies should be planned in such a way as to ensure their objectivity, inter-disciplinary coverage, and maximum value for comparative purposes. It is believed that such studies, followed by a comparative analysis of results, would aid governments, and also technical assistance experts who may be called upon to advise them, in designing community development programmes. Little material seems to exist which analyses the evolution and other administrative aspects of community development programmes. A book was published recently on the programme in Ghana 3/ which supplies much of the desired information. Excellent material exists as a basis for such a study of the Indian programme; 4/ some material will soon be available on the Philippine programme, 5/ and reports have been published on several project type programmes in dependent territories.

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^{2/} The term "tribal" is used herein to refer to tribally organized people who live under extreme conditions of isolation.

Peter du Sautoy, <u>Community Development in Ghana</u>, Oxford University Press, 1958.

Outstanding among these are the annual reports since 1954 of the Programme Evaluation Organization; India Planning Commission, Committee on Plan Projects, Report of the Study Team for Community Development and National Extension Service, 1957; Carl C. Taylor, A Critical Analysis of India's Community Development Programme, Government of India Press, 1956; S.C. Dube, India's Changing Villages: Human Factors in Community Development, Cornell University Press, 1958; Kurukshetra: A symposium on Community Development in India, 1952-1955, New Delhi, 1955; and Albert Mayer, Pilot Project; India, University of California Press, 1958.

Jose V. Abueva, Assistant Professor of Public Administration at the University of the Fhilippines, wrote a dectoral dissertation on the community development programme which will be published in 1959; also E.R. Chadwick, United Nations Community Development Expert in the Fhilippines, describes the evolution of the programme in his final report to the Government. (TAA/PHI/6)

- 37. In the absence of analytical studies such as proposed, mistakes are being repeated unnecessarily, as doctrine has tended to develop on the basis of what has been tried rather than what has been proved. Moreover, experts have at present little more to draw upon than their own experience and the general guides provided by their respective agencies. The integrative type of programme with its familiar organizational design is being applied or considered in countries which differ in so many respects from one another in terms of political leadership, tradition of field co-ordination, and availability of administrative and technical personnel, that one is led to doubt whether the programme has been tailored to the particular circumstances in these countries.
- India, whose organization for community development purposes has served as a model for a number of other countries, has itself maintained an organization for continuing evaluation of its programme and thus provided information needed for adapting the programme on the basis of experience. 6/ The Programme Evaluation Organization (PEO), associated with but independent of the Planning Commission, has from the beginning functioned separately from the agency responsible for administering the community development programme. The PEO has professional personnel at headquarters and in the field, the latter posted to one or more typical development blocks in each state for evaluation purposes. The annual reports and special studies of the PEO seem as objective as could be desired in reporting what is happening, which methods prove successful, which unsuccessful, and why. Evaluation in India was conceived for the purpose of informing the people through the Parliament of the progress of the programme, a purpose particularly well-suited to the philosophy of community development. It may have far-reaching implications for public administration generally because it is a rare example of a system built into the executive organization of government for exemining objectively the methods and results of governmental operations and informing the public of the findings. In view of the potential value to other countries of information on the PEO experience, it is suggested that a thorough study be made of this organization either separately or as part of the suggested comprehensive study of the community development programme in India. The study should analyse the conditions which have made this type of evaluation possible; the organization of the PEO, its financing, internal operations, evaluation techniques, and relationships with other agencies; the effect of evaluation on the community development programme; and its more general significance to public administration.
- 39. The suggested comprehensive studies of individual programmes should not, of course, be for the purpose of evaluation. Their object would be to provide a broader basis of experience than is now available for designing community development programmes in the future and also for dealing with administrative problems which are common to most programmes or at least to certain types of programmes. Among these problems which are distinctive to community development programmes, the most important relate to co-ordination of government agencies, relationships between governmental and voluntary organizations, decentralization of authority and services, planning and finance, personnel, and local government, which are discussed below.

-14-

^{6/} In the Philippines, the Presidential Assistant for Community Development has contracted with the recently established Community Development Research Council in the University of the Philippines and with the Office of Statistical Co-ordination and Standards for various studies that will test programme methods and progress.

40. Although the public administration implications are greater in the case of the integrative type of community development programme than in the case of the adaptive or project type, all three types should be kept within the framework of study. There are public administration problems, such as inter-departmental co-ordination and relations with local government which are common to all three. Moreover, it is important that study be directed toward discovering the kinds of situations which might favour the use of one type of programme rather than another. For example, the integrative type may be particularly suitable for countries where, due to lack of trained personnel, technical services have not been brought within the reach of rural people and the political leadership is determined that they should be. The adaptive type of programme may be more suitable in smaller or more developed countries where technical services are more accessible; it can be readily established anywhere since it can be attached to any one of a number of ministries, but its success may be dependent upon the availability of technical services. The project type of programme may be particularly appropriate for tribal areas, new settlement areas and other areas in which special services may be required. It may also provide a medium for multi-functional community development where conditions necessary for the success of an integrative or adaptive type programme do not exist; the experience in the Egyptian region of the United Arab Republic and the Philippines suggests that project type programmes may actually contribute toward the establishment of such conditions.

Co-ordination of Government Agencies

- 41. The need for co-ordination (i.e. concerted action by different entities without loss of organizational identity) among government agencies exists in all programmes. It is particularly vital in integrative and some adaptive type programmes in which the regular technical services have an important role. However, even in project type programmes which employ their own technicians, co-ordination at least at central levels is usually needed to obtain research and other technical support for project personnel and to plan for the eventual assumption by the regular technical services of their responsibilities in the project area.
- 42. Where the regular technical services have an important role in community development, co-ordination is needed at two vital points at the top level of policy making and at the level of execution in the field. The purpose of co-ordination, the problems encountered, and the methods to be employed at these two levels differ markedly. Co-ordination at the top is concerned mainly with harmonizing and synchronizing policies, plans, and programmes, whereas co-ordination in the field is concerned mainly with personal and community relations, financial authority and processes, and other elements affecting the execution of related programmes.
- 43. This section of the study is concerned primarily with the problems of achieving co-ordination at top and intermediate levels. Without co-ordination in policy-making and planning, co-ordination in execution becomes difficult and often impossible. Given satisfactory co-ordination at the top, co-ordination in the field comes easier although frequent field visits, meetings with field personnel and other steps are needed to adapt policies and processes to field requirements. Other aspects of co-ordination are discussed below in the chapters on Planning and Finance and Personnel.

-15-

- 44. The conflicts among technical services and between them and the community development agency over their respective roles and relationships in community development programmes, particularly those of the integrative type, are endemic and in some countries seriously weaken the programme. In the Philippines, it is reported that "the absence of co-ordination among national agencies engaged in common endeavours is seen everywhere. Unnecessary duplication, overlapping of functions and undue rivalry in claiming credits for particular achievements result from this situation. In other words, the provision of government services to the rural people is badly splintered. Consequently, scarce resources have been unwisely allocated among recipient groups. Most frequently, the <a href="https://example.com/barried-words-not-been unwisely-allocated-mong-recipient-groups-most problems of co-ordination-in-other countries could also be cited. The problems appear to stem from conflicting concepts of roles, from departmentalism, from controversy over the village level worker and from weaknesses in co-ordinating machinery.
- 45. Overlapping conceptions of professional personnel and their respective departments regarding their tasks and objectives is a common source of conflict. Several aspects of this problem are noteworthy:
 - (a) Various professional groups agricultural extension, adult or fundamental education, rural social work, and so on regard themselves as the integrating discipline or service, concerned with the total improvement of rural life.
 - (b) These conflicting conceptions within a country are often complicated by diversities of view amongst technical assistance advisers. In one country for example it was proposed that a cabinet committee on community development should be created; the chairmanship of the committee was to rotate among its members. Some technical assistance advisers felt that this recommendation was unsound, but the agricultural adviser had to insist that the Secretary of Agriculture of the host country should preside over the committee.
 - (c) Much has been done to reconcile differences among international technical assistance agencies and experts as to their respective roles in community development programmes. The Administrative Committee on Co-ordination, which consists of the Secretary-General of the United Nations as Chairman and the Executive Heads of the specialized agencies, has for a number of years given this matter attention both directly and through its Working Group on Community Development. The twentieth report of the Administrative Committee on Co-ordination to the Economic and Social Council (E/2931 of 18 October 1956) presents the Committee's tentative agreement on concepts and principles of community development and on the responsibilities of the United Nations and the specialized agencies in providing technical assistance for community development programmes. One section of the report describing the technical services contributing to community development is being reviewed by the Working Group. The report and the steps which have been taken to implement it have provided a basis for co-operation at the international level among the organizations and the technical assistance experts concerned. More remains to be done, of course, to adapt these international concepts to the special circumstances within the aided countries.

-16- /...

^{7/} Philippines, Handbook for Community Development Workers, published by the Presidential Assistant on Community Development, March 1957, p. 70.

(d) The co-ordination of technical assistance activities within a country is a matter for the Government concerned and is outside the scope of this study. Several years ago, a study was made and it was recommended that Governments should establish special administrative machinery (i.e., not rely only on committee work) to co-ordinate technical assistance activities; 8/moreover, the United Nations Workshop emphasized the need for governments to organize themselves "to digest the aid" which they receive and suggested that an analysis be made of the efficacy of the various methods being tried.

"Where the internal organization of a government is not yet strong enough to co-ordinate and control outside technical assistance, governments might consider employing outside specialists or executives in operational capacities within the government instead of using only outside advisers who remain responsible to their respective governments or international agencies. Such operational personnel can contribute directly to the internal organizational strength of a government and facilitate the co-ordination of technical assistance." 9

- 46. Organization theory and practice together with professional education and career systems may cause personnel to place professional or departmental loyalties above larger programme objectives. The combination of organization according to functions and career systems oriented or actually organized on a departmental basis may be an obstacle to co-operation in the field. An inquiry into institutional factors giving rise to professionalism in government and means of directing it to serve the larger needs of the community merits consideration. The study might well include countries which are supplying technical advisers as well as aided countries.
- 47. The controversy between agencies and professions over which one should supply the village level worker has also had a divisive effect. 10/ There is evidence to support the belief that employment of general-purpose or multi-purpose village workers by a non-functional ministry serves the public interest better than the expansion and retraining of the field staff of one of the functional agencies (e.g., agricultural extension, rural education, or social welfare), but the evidence is not conclusive. The assumption underlying the belief is that if the village level worker is employed by a functional agency, he will be warped in his approach to the community and will be unable to enlist the co-operation of other agencies, and that if he holds another position, such as teacher, he will not perform both his functions satisfactorily. However, specialists challenge the assumption. As indicated later in this report, an attempt should be made to resolve this and related issues through experimentation that is, by applying under different types of conditions each method of carrying out the functions of the village worker.
- 48. Weaknesses in machinery for inter-departmental co-ordination are a common complaint. This problem has various facets:

-17- /...

^{8/} National Administration and International Organization, published jointly by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Institute of Administrative Sciences, Brussels, 1956.

^{9/} Annex to E/CN.5/334/Add.4, para. 58.

^{10/} Inter-departmental controversy over the multi-purpose worker takes a slightly different form in India where, as noted in the personnel section, there is competition among technical services for the time of multi-purpose workers.

- (a) Co-ordination is a composite of many organizational elements such as leadership interest, clearly stated and agreed objectives, sound grouping of functions, good communications, and effective planning, budgeting and other staff services. Good personal relations among top officials and continuity in senior posts are also important. The right kind of organizational relationships will facilitate good personal relationships, the wrong kind will impair them. The best organizational relations will not work, of course, unless the individuals concerned maintain cordial relations. The common resort to committees as instruments of co-ordination in community development programmes and the many breakdowns that have occurred in the functioning of these committees suggest that too little attention has been paid to these organizational and personal elements of co-ordination and too much reliance placed on the mere creation of committees. Other methods, including the use of financial grants, are also being tried. Inquiry should be made into the factors that contribute to success and failure of various arrangements for co-ordination. For example, in Ghana a committee consisting of representatives of interested government departments and members of the public was established to give general advice and to assist in the co-ordination of community development activities. The level of departmental representation and interest decreased with time until it was clear that the committee would not serve the purpose intended. The present arrangement is that an officer is usually nominated by a department having a connexion with community development to act as liaison officer with the community development department either generally or for a particular campaign. Matters are handled informally with the liaison officers and meetings are held only on an ad hoc basis to consider a matter of general inter-departmental concern. This arrangement has reportedly worked very well.
 - (b) Machinery for inter-departmental co-ordination within a government should be separate from that for co-ordinating governmental and voluntary effort. Representatives of voluntary organizations should not be members of inter-departmental co-ordinating committees. The addition of such representatives may so stifle frank interchange of views and so enlarge the committees as to impair their usefulness as instruments of inter-departmental co-ordination.
- (c) The task of co-ordination at the community level is likely to be most difficult in countries which do not have administrative districts, i.e. in which national departments maintain direct administrative control over their field activities. Even in countries which are divided into administrative districts, the heads of the districts may possess authority only over traditional functions such as tax collection and maintenance of law and order and not over more recently instituted functions such as education, health, and agriculture. The problem in some countries, particularly in those which have recently gained their independence, is to adjust the traditional role of district administrators as general representatives of central government to fit concepts of ministerial responsibility for various development functions. Attempts to create or to strengthen arrangements for field co-ordination of national departments under different types of circumstances merit close study.
- (d) Where general co-ordinating authority over the field activities of national departments is granted to administrators of central government districts, the district administrators may need additional training and staff

-18-

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- if they are to provide the leadership required for community development purposes.
- (e) The task of co-ordination in new development areas may be even greater than in traditional administrative districts. The Third Evaluation Report of the Indian programme states as follows:

"The dual control of block level subject matter specialists, with the block development officer controlling all their movements and exercising administrative control on the one hand and the district level technical officers exercising technical control on the other, is still not working satisfactorily. Technical officers are prepared to work under the collector (i.e. senior administrative officer in the district) but they feel that the introduction of the block development officer is removing them from their contact with field personnel and the technical departments do not have enough of a say in the working of the projects. One result has been that departmental officers have concentrated their attention in the non-block areas where they have more direct control over their special staff."

The Fourth Evaluation Report, referring to this problem states that "the problem of co-ordination, of combining the horizontal responsibilities of the area specialist with the vertical responsibilities of the subject specialist continues to defy solution".

(f) The studies in depth of country programmes, suggested earlier, may reveal whether useful generalizations on techniques of co-ordination can be drawn therefrom and whether lessons from other types of administrative experience are applicable. 11/ Consideration should also be given to the preparation of suitable materials on the administration and co-ordination of community development activities for use in United Nations and other public administration training programmes, particularly those for present or prospective district administrators.

Relationships Between Governmental and Voluntary Organizations

49. Voluntary organizations have in the past taken the lead in some countries in the establishment of project type community development programmes, some of which were later taken over and expanded by the governments. In Jamaica, a voluntary body set in motion a country-wide adaptive type programme which was later

-19- /...

The theory of dual supervision expounded in The Administration of Federal Work Relief, by Arthur Whittier Macmahon and others, Chicago, published for the Committee on Public Administration of the Social Science Research Council by Public Administration Service, 1941, pp. 244-268, may be adaptable to field co-ordination of different departments of government, although the authors had in mind field co-ordination of units within the same department. The theory calls for openly proclaiming that lines of authority in organization are frequently dual or even multiple and that "the arrangement of structure and the training of personnel must provide for nicely divided loyalties".

transformed into a government programme. In recent years, however, governments themselves have assumed the initiative in establishing community development programmes.

- 50. Nevertheless, national voluntary organizations continue to carry out important work (a) in specific functional fields, (b) in training and research, (c) in communities where there is a special need, or (d) with certain categories of persons such as young people. They have an important role to play in pioneering in new methods and new public services and otherwise in supplementing government-sponsored community development activities. They should be allowed and encouraged to do what they can about matters of concern to them. Care must be taken in government relations with them to avoid discouraging them or making them simply additional instruments of government. They can often help to maintain the vitality of public services, render useful advice, and foster growth where needed. It is appropriate for governments to establish standards in such matters as health and education in which there is a clear public interest but the government should not normally mark out various direct services as its exclusive province and certainly not before it is ready to fill the need therein. In some cases voluntary bodies may initiate an activity, such as training of nurses, which may later as a matter of public interest become an activity also of government. Similarly, the government may start an activity, such as a credit institution, and later transfer it to, or transform it into, a voluntary organization. As a general rule, people should be allowed and encouraged to render service through their own organization. Voluntary effort, on behalf of leprous patients, for example, should not be pushed aside by centrally directed government development effort.
 - 51. Communication and co-operation between governmental and non-governmental organizations engaged in community development activities are essential. Research into legal, organizational and financial arrangements for accomplishing this at national and local levels should be given high priority. (See the chapter on "Community Development and Local Government" for a discussion of relations with local voluntary bodies.) The major practical problems encountered at a national level on which further inquiry is needed are as follows:
 - (a) Methods of constituting advisory committees so that they may be representative of both governmental and voluntary organizations without becoming unwieldy and so that they can co-ordinate the activities of these organizations without controlling them or making it difficult to fix responsibility for their actions.
 - (b) Methods of providing government financial support to voluntary bodies without impairing public accountability for the support given, interfering with the activities of voluntary bodies, or instituting undesirable fiscal practices such as in some countries earmarking of taxes.

Decentralization

52. The term "decentralization" is used in this study to refer to the transfer of authority on a geographic basis whether by deconcentration (i.e. delegation) of authority to field units of the same department or level of government or by

devolution of authority to units of local government. 12/ As noted earlier, community development programmes can provide strong motivation for extending technical services to rural areas and for doing it in such a way that these services will work together effectively at the community level and be responsive to people's needs. The latter objective may be sought through deconcentration of authority to field agents and other units of central government or through devolution to local government or through both processes.

- 53. Some measure of deconcentration is to be found in all countries but the nature of deconcentration will differ widely as regards: the degree of authority delegated; the degree of uniformity between departments in the extent of authority delegated and in the area of their field agents or units; the number of levels of deconcentrated areas and the relationships between administrators and technicians at each level and between levels; and the size of the deconcentrated areas, particularly in relation to the units that are effective for community development purposes. Ideally, the departments concerned should have the same administrative areas and delegate comparable authority to their field representatives so that they may reach decisions at the same level, proceed at a locally synchronized pace, and otherwise be free and able to co-operate not only with one another but also with the local communities.
- 54. In some countries (e.g. those in the Middle East and autonomous States of the French Community) there is a pattern for uniform delegation of authority to government agents and representatives of technical services at several geographic levels, in some cases extending to a point from which technical services could be provided directly to the people. Here there may be no "local government" in the sense in which that term is used in this study or the general administrative agents of central government may exercise close supervision over such local governments as exist. The prevalence of such deconcentrated units of central government should neither be regarded as necessarily inimical to community development (because of the traditional association of field administrators with police and tax powers) nor be allowed to obscure the existence of or potentialities for local government. On the contrary, these units - assuming that there is retraining of personnel and change in attitude on the part of both personnel and people - facilitate the provision of technical services in support of community self-help effort. Moreover, they may provide the basis for institutionalizing the maintenance of facilities established through such effort, for increasing the capacity of communities for local government and even for developing new forms of local government. 13/ The three-way relationship of deconcentrated units of central government, community development bodies, and local government bears close analysis in the above-mentioned comprehensive studies.

^{12/} This definition accords with the meaning given to the term in India and the United States and is helpful in this context. However, it differs from the meaning given to the French term "décentralisation".

For a good analysis of the problems and possibilities of developing local government where there is a hierarchy of central government agents almost to the village level, see W. Hardy Wickwar's "Pattern and Problems of Local Administration in the Middle East", Middle East Journal (Washington) 12:249-260, summer 1958.

- 55. Where such deconcentrated units do not exist, cover too large an area, or are deemed unsuitable as instruments for community development, emphasis may be placed on the role of local government (which is discussed in the last chapter) and also perhaps on the creation of new types of administrative areas for development purposes from which technical services in support of community development can be provided.
- 56. These new types of administrative areas have created a problem which is both distinctive and urgent and therefore merits special attention. It is that of atsorting the new administrative areas that is, the development blocks in India and Iran, the development areas in Pakistan, and the areas of the combined units in the Egyptian region of the United Arab Republic into the structure of central or local government. A comparative study of experience in various countries in this matter would be very useful. Although these new development areas are characteristic of the integrative type programmes, much that is learned about them will also be applicable to project type programmes. The latter also serves as a means of administrative decentralization to prescribed areas, the boundaries of which, like those of new development areas in some integrative programmes, may not coincide with traditional administrative districts or local government units.
- 57. Underlying the problem of absorbing new development areas is the question whether and under what circumstances new development areas should be established, particularly in countries which are already divided into administrative districts, e.g., whether reduction of the area of the traditional districts is a better alternative. Technical services are usually concentrated in new development areas to such a degree that in the later process of extending the programme on a country-wide basis it becomes necessary to reduce personnel severely within development areas, abolish the development areas, or transform the development areas into new units of local government. The problem is aggravated where the boundaries of the development areas do not coincide with those of traditional administrative areas and local government units. Planning for the eventual transition, including the phasing of each step, is of vital importance.
- 58. The objective of the proposed comparative study would be to provide guides for such planning. The study would examine the circumstances which led to the creation of new development areas; the criteria applied in the demarcation of the boundaries of these areas, criteria for determining manning and salary schedules; problems of reconciling the differences in the optimum area coverage of various technical services, institutions and general government activities; the relationships of personnel employed in the new administrative areas to those tied into the regular structure of government at various levels; the relationship of ad hoc development committees to local legislative bodies; and the processes and consequences of absorbing development areas into the structure of central or local government. The study might provide information of general interest on governmental areas, but its main purpose would be to help in solving such practical problems as those illustrated below which are emerging in most countries which have integrative and project type programmes.
- 59. In India, the report of the Committee on Plan Projects, Planning Commission, recommends that where practicable, the boundaries of development blocks and revenue administration units be made to coincide and that the development blocks

-22-

be transformed into local units of government, with representatives of the village panchayats (i.e. councils) and small municipalities within a block constituting the representative body of the new unit, and a chief administrative officer and technical personnel (seconded by the state governments to the new local unit) made responsible for executive functions. 14/ The proposal sets forth the powers and duties and sources of revenue of the new units and their relationships with their respective panchayats and state governments. The proposal appears to be designed not only to get the people more fully involved in matters that affect them, as part of a programme of broadening popular participation in government, but also to increase local responsibility for maintaining facilities and activities in areas which have received intensive community development assistance so that progress will continue after the government directs its intensive effort elsewhere. 15/

60. In one country in Southeast Asia, major problems will be faced in absorbing or transforming on a permanent basis a community development demonstration project which, according to one observer, is "saturated" with services. Although the project makes use of funds and staff of functional ministries, it reportedly duplicates the efforts of those ministries and operates without proper appreciation of the existence of provincial and district administration. There are some schools under the responsibility of the Ministry of Education and others under the Rural Development Commission (which administers the community development programme). The salaries of officials employed by the Rural Development Commission are higher than those of the corresponding officials employed by the Ministries. It is felt that there is a danger, as this pattern of organization spreads through the country, of setting up two agricultural services, two health services and two educational systems, one under the relevant ministry and the other under the Rural Development Commission. The observer says that similar situations have developed in a number of countries with unfortunate consequences. He suggested. therefore, the desirability of mainitain on the Rural Development Commission budget and under the Commission's authority only such staff and activities as are attributable to the co-ordination of the programme or are not attributable to individual technical and departmental sources (e.g. the Commission headquarters! staff and multi-purpose village level workers and the rural development training centre).

61. In the Egyptian region of the United Arab Republic, combined units and village sub-centres have been designed as the means of achieving not only co-ordinated decentralization of the ministries of agriculture, education, health and social affairs, but also local participation in development, and eventually, local government at provincial and intermediate village levels. Each combined

-23-

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^{14/} India. Planning Commission, Committee on Plan Projects, Report of the Study Team for Community Development and National Extension Service, Vol. I, November 1957, pp. 5-22.

^{15/} The Government of India recently decided to end the differences in staffing strength between Community Development Blocks (intensive phase) and National Extension, Service Blocks (post intensive phase). Hereafter, development blocks, after a one-year period of pre-extension activity, will be staffed according to what is needed on a long-range basis. See India, Ministry of Community Development and Co-operation, Report - 1958-59, p. 3.

unit consists of a health centre, social service centre including day-care nursery, school and agricultural services. It is directed by a committee composed of the local representatives of the ministries concerned, amongst whom nominal chairmanship rotates. The social affairs representative serves as secretary. The combined units are supervised by provincial councils composed of representatives of the ministries at that level. It was originally thought that each combined unit should serve 15,000 people living in five or so villages. The country was accordingly divided into 868 uniform sections. It was planned that new facilities would be built in 606 units and already existing health and social centres in 262 units would be expanded as necessary. Two hundred and fifty units were in operation in April 1959. There are also sub-centres in some villages which consist of small rural social centres and health co-operatives and are designed for villages which are not the site of a combined unit. Plans for representation of the villagers on the combined unit committees and the provincial councils have not yet materialized. Moreover, the cost of building and operating a number of combined units has been such that it may become necessary to reduce substantially the number of units or to scale down the facilities afforded therein, and, in any case, to prolong the period for extending the programme throughout the country.

-5h-

IV. PLANNING AND FINANCE

- 62. Community development specialists are firm in their belief that although it is possible to help the members of a community to identify their problems, the people themselves must decide what is to be done and how it is to be done if they are willingly to contribute their labour and funds to the activity. Moreover, only such outside aid should be made available as may be necessary to supplement local resources and, to be fully effective, it should be available when the group or community has the will to act. Timing of aid is crucial, as "too much, too soon" is almost as injurious to sustained community effort as "too little, too late".
- 63. At the same time, aid for community self-help effort ought to be related to regional and national development programmes both to make the effort more meaningful and to enable the people to derive fullest benefit from government programmes. All Governments must carefully budget the funds available to them for expenditure. Where materials and technical services are in short supply, they must be allocated to purposes which result in the greatest public benefit. This may well serve to limit the types of community activities for which assistance can be made available. However, in representative systems of government, national goals (e.g. free elementary education for all children) are likely to be substantially in accord with community needs and desires. Therefore, the problem is usually not so much one of adjusting conflicting national and local requirements but rather of ensuring good communications between national and local levels in the planning process and flexibility in allocating funds so that account may be taken or community priorities in national planning and budgeting and communities will have knowledge of the opportunities available to them in setting their priorities. Thus community development programmes can help to tap the unutilized talent and energy of the people for the benefit of both nation and community. These generalizations are applicable to most community development programmes, particularly those which are integral parts of regional and national development programmes and receive substantial support from public funds; and to the extent that they are applicable they create special planning and financial requirements.
- 64. An exchange of information on the results obtained in applying different methods for meeting these requirements under different circumstances would be useful. As will be noted in the discussion that follows, there is ample evidence of what happens when these requirements are not met and some information on the methods being tried, but regrettably little on what has been tried and proved successful.

Planning

65. Community development programmes create special requirements in physical as well as economic and social planning since they usually stimulate the people to improve their community facilities. Timely technical aid is needed in planning the layout of community facilities and in supervising construction so that what is done will be well built, adequate to future community needs, and a stimulus to further self-help effort. This may call for special training and staffing for planning and construction work by the community development agency and close relationships with the technical services to ensure that their minimum standards are met. The consequences of poor planning and inadequate supervision of self-help construction are illustrated below:

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- (a) A community development expert visited several health centres which the people had been stimulated by community development workers to erect. He reported: "I was not pleased with what I saw because several of these structures were tiny affairs that gave me the impression that some community development workers, who were anxious to have something to record in their official reports, were persuading people to build something that involved the least possible effort." He referred also to tiny bamboo reading rooms so small that no more than an ordinary size family could get into them which teachers persuaded the people to build.
- (b) A town planner in another country reported that a self-help movement has led to the production of slum housing. Houses have been built "without any regard to urbanistic or hygienic demands. There is no question of social centres or of community development within these slums."
- 66. A two-way flow of economic and social planning information is needed so that community development activities may be planned with fore-knowledge of the capabilities and plans of development departments and so that national measures may be designed to make use of the self-help interests of the people. On the one hand, for example, communities should be encouraged to build schools, clinics or other facilities for the provision of technical services only if qualified personnel will be available to provide the services; on the other hand, technical departments will often make the fullest use of their resources by helping communities that are ready to help themselves. Moreover, since opportunities for fruitful self-help effort are likely to be particularly good where major physical development schemes, like dams or highways, are being built, the community development agency should take account of these opportunities in phasing its programme. In some cases, the success of regional and national development schemes may be dependent upon individual and community self-help effort. For example, the construction of a multi-purpose dam may be financially feasible only if farmers adopt improved farming and marketing practices; and the economic usefulness of major roads or irrigation works may be dependent on feeder systems which the people build through voluntarily contributed labour. The success of national or regional measures and of community development programmes is thus, in many cases, inter-dependent. 1/ But how best to give administrative expression to this inter-dependence is a critical question, the answer to which is likely to differ from country to country.
 - (a) Integral planning (i.e. social, economic, physical, etc.) at national and regional levels could, assuming it does not plan away the element of choice in the villagers' life, provide means for bringing together national and community interests in government programmes. However, where opportunities for such planning do not exist, other informal means must be used to assemble and act upon the relevant planning information.

-26-

The United Nations Workshop emphasized this point and stated that: "Money for community development is usually well-spent, often representing a significant capital investment in community facilities. Nevertheless, economists and administrators identify community development mainly with social objectives. Research is needed that would provide concrete evidence of the economic results attributable to community development activities so that adequate provision will be made for them in schemes for regional and national development." See Annex to E/CN.5/334/Add.4, para. 79.

- (b) It may be necessary, in order to avoid regional conflicts, for government departments to state their national targets in global terms (e.g. miles of road to be built) and to select the geographic areas in which effort will be concentrated according to objective criteria (e.g. opportunity for rapid increase in food production). Nevertheless, national targets should at some point be broken down spatially. The natural areas for actual development of highways, water supply, health services, etc., may differ, but integral planning is needed on one or more regional levels. The region for integral planning should coincide with established governmental areas and preferably with the area of jurisdiction of local authorities. This would make it possible to phase related activities to maximum advantage and to develop the people's participation in both the formulation and implementation of government plans. Insights into how integral planning at regional levels can be arranged so as to channel and enrich the flow of information between national and community levels would be helpful.
- 67. Nationally established targets for community development and related programmes should be sufficiently flexible to permit adaptations to local circumstances and a measure of freedom for communities to decide what they will do and when. It is to be expected that Governments will try to allocate the limited funds, skills and materials available to them for purposes which, in their view, will result in the greatest public benefit. However, national goals are, in some cases, stated in too great detail, too uniformly for widely varying areas and with priorities that cannot be reasonably justified in terms of national or community interest. A village may want help to build a bridge while the only government department with help to offer urges it to build latrines or to drain a swamp. Much of the difficulty in community development programmes comes from pressing a community to do something it is not ready to do. The development of a sense of community, itself often a national goal, requires latitude in decision-making if it is to grow. Moreover, some things that people can do and want to do, particularly in the social sphere, may have little bearing on national goals as they are often expressed. As a general rule, where national and community goals are compatible, community goals should be followed. Of course, when a crisis, such as a food shortage, threatens, it may be essential to restrict narrowly the activities for which government funds can be used but in such cases the problem is mainly one of communication because if the people understand the nature of the crisis and the soundness of the measures proposed for meeting it, they may willingly participate in them.
- 68. People should participate not only in planning and deciding what they are to do through joint governmental and self-help effort, but also in planning the detailed steps for executing the plan. Only through such a process will there be a clear understanding of the implications of a planning decision, including the specific responsibilities of the Government and the community. In working out the steps to be taken, people may (if they are enthusiastically in favour of a project) decide to make fuller use than otherwise of their own resources, especially if the alternative is waiting a long time for materials or other help from the Government.

Finance

69. As noted in the above discussion, there is a close relationship between planning which involves the allocation of government funds in support of community self-help effort and the actual allocation, control and expenditure of such funds. The problem is mainly one of developing fiscal processes (e.g. budget formulation and appropriation processes) and methods of administrative and financial control

27- /.

- (e.g. requirements for higher level approval of expenditure) which ensure not only that funds are expended for the purposes intended but also that the fullest value is derived from the funds expended. This is a general problem in public administration. However, it has distinctive features where community development programmes are financed mainly out of appropriations from the general funds in the treasury, because of the unusual need in such programmes for flexibility in the nature and amount of aid to be given, the importance of timing, and the special problems of financing activities of voluntary bodies. Supplemental grants to a community development agency from special funds or external sources often contribute to greater flexibility in administration but may necessitate special measures to ensure accountability. The paragraphs which follow describe the distinctive requirements of a financial system where substantial amounts of public funds are used in support of self-help effort.
 - 70. Flexibility is needed in the period within which appropriations or external grants for support of community self-help activity must be spent. Appropriations or grants which must be obligated within a fiscal year if they are not to lapse provide too rigid a framework. Support of self-help effort must be geared to the time it takes to arouse the interest of people and to the time when it is propitious for them to act. Nothing can be more damaging to the programme than the drying up of financial resources just when the people are beginning to respond. The rush to spend money in order to prevent funds from lapsing can also be harmful, and wasteful as well.
 - 71. Flexibility is needed in the budgeting and allocation of funds, particularly to field units, so that national programmes can be adapted to local circumstances and interests. As noted below, this problem was identified in India soon after the community development programme was inaugurated and it is still not completely solved.
 - (a) The First Evaluation Report of the Indian community development programme referring to causes of delay in fiscal processes relating to community development activities, asserted that the states tend to keep "a very strict and rigid control over the spending powers of the project staff. The normal rules of technical, financial and administrative sanctions have not yet been revised so as to ensure their essential purpose in a quicker and more decentralized manner." The report also refers to the "vital distinction between planning in participation with the people and planning by the state. In the latter case, expenditures according to regulations are essential, but in works which have to be initiated and executed in participation with the people, greater flexibility is needed in the purposes for which government funds can be used, so that the value of the people's participation (which may amount to 90 per cent of the total) will be taken advantage of. Where the non-official contribution is ... made up of a number of small contributions in cash, kind and service, a prior guarantee or deposit as a condition for the government's grant is out of the question."
 - (b) At present, there is a system of "shadow budgeting" in India under which technical departments at the state level inform the block development officers what their units in the block have available to spend. This allows the agencies concerned and the communities to know what resources are available and helps to avoid overlapping and conflicting activities. India is reportedly working toward a system under which the representatives of various departments at the block level will, on the basis of general budget guides,

-28-

formulate a co-ordinated programme at the block level.2/ This would also permit wider consultations with the people in the process of formulating the budget.

- 72. Appropriate methods need to be developed for measuring the workload and performance of government agencies which apply the community development approach in their activities. Certain national functions, such as the building of highways, can be carried out according to a preconceived plan and phasing schedule. But for those activities like agricultural extension, home economics, some public health activities, literacy promotion, etc. in which success is measured by the voluntary adoption of practices by communities or individuals, the agencies concerned and their field workers should not feel compelled by the standards by which they are measured to press people who may be disinterested or who lack the information or understanding necessary to act willingly.
- 73. Financial authority must be delegated along with administrative authority in order to enable field units to take appropriate and timely action. The effects of over-centralization of financial control are illustrated below:
 - (a) "Where action involving a good many villagers is at stake, it seems almost criminal that a broken tool cannot be repaired, or mimeograph paper bought, except by a process of requisitioning and involved clearance taking weeks. The 25-rupee limitation on field expenditures is absurd in such a situation. But even with a reasonable increase in this respect, the reform would not be sufficient. Funds theoretically made available are so rigidly specified as to be more a source of irritation than a resource for effective work. Even substantially less money with much more flexibility would greatly improve morale and effectiveness. Appropriate new systems checking on propriety and effectiveness after the fact would be in order at the same time, of course. "3/
 - (b) It has been reported in Ghana that "there were many occasions when money to assist the villagers in their self-chosen projects arrived so long after application had been made through the usual estimate procedure that the people had lost interest and were no longer willing to provide the labour they had originally offered". 4/
 - (c) In the case of the Nayarit project in Mexico, "confusion and inefficiency of bureaucratic procedure in actually supplying money to the field caused delays and often reduced the value of funds because of their unavailability or the complicated reporting and accounting methods required".

-29- /...

^{2/} See Appendix II, para. 10.

Z/ Paul H. Appleby, Public Administration in India: Report of a Survey, New Delhi, Indian Government: President's Press, 1953, p. 44.

^{4/} Advance, (Accra, Department of Social Welfare and Community Development)
No. 7, 1955, p. 5.

- (d) The Fifth Evaluation Report in India says that "block development has suffered from ... under-spending of the budgeted amounts. The main reason for the latter has been procedural; funds have not been sanctioned and sanctioned amounts not made available to the blocks soon enough." 5/
- 74. Measures that are designed to prevent corruption frequently result in over-centralization. Although this is a general problem it assumes special importance where community development programmes are carried out, since decentralization of financial controls is so essential to their success. Very little study has been made of this problem. It is complex; very often there is no dishonest motive; in tribal communities there are practices deeply rooted in social customs, such as the system of personal gift exchanges. The attitude of the people, the level of salaries, and many other factors must be probed to explain this widespread phenomenon. Efforts to overcome widespread corruption and to reduce its centralizing effects merit study.
- 75. The respective responsibilities of national, state, and local governments for financing community self-help effort should be clearly understood, the flow of funds between units should be expeditious, and the conditions attached to grants should permit discretion in their use. For example, a state or local government should know in advance how much aid the national government will make available to them so that they may plan accordingly; and payments in advance will normally be better than payment in arrears, especially for governmental units with a weak cash position. The conditions attached to grants may severely limit their use. For example, a grant-in-aid programme which was recently established in the Philippines as a means of encouraging community self-help prescribes the following procedure for approval of a request by villagers for a grant: (1) approval by the village council; (2) approval by the municipal community development council, followed by review by technicians at that level; (3) approval by the provincial community development council, followed by review by the technical agencies concerned; and (4) approval by the executive head of the nation's community development agency. 6/ The Philippines is now experimenting with a system for decentralizing this approval process. It is giving eleven provinces, called "challenge" or "decentralized" provinces, discretion in spending grants.
- 76. Other methods, in addition to grants-in-aid, for increasing the funds available to local government (e.g. by increasing their authority to tax, allowing them to keep a larger share of the taxes they collect, and making loans available to them) may be necessary if local government is to play the important role in community development which is described below in the section on local government. Devolution of financial authority to local government units may also be a suitable means of countering over-centralization of financial authority.

-30-

^{5/} India. Planning Commission. Programme Evaluation Organization. The Fifth Evaluation Report. New Delhi, May 1958, p. 150.

^{6/} Philippines Grants-in-Aid PACD, Office of the Presidential Assistant for Community Development, undated.

- 77. Where different departments make grants-in-aid to communities to stimulate self-help effort, they should have comparable policies regarding the matching arrangements, the form in which the aid is given, the method of calculating the local contribution, arrangements for accountability for funds and materials granted, etc. Conflicting policies on these matters could reduce the effectiveness of this method of stimulating self-help effort.
- 78. Interchange of information between countries on the use of grants-in-aid to stimulate self-help effort would be useful. The development of sound methods of calculating the contribution of the people is especially important where their contribution is used not only as an offset to a government grant but also as a measure of the effectiveness of the agency which makes the grant. Experiments are being carried out in some countries with a view to developing formulae for making grants that will bring out the maximum of self-help effort; perhaps some principles can be developed that will have general application.
- 79. Community development specialists believe that inspiration should play a larger part in community development than stimulation by grants. The following observation was made about the use of grants in Nigeria, where district administrative officers have community development responsibilities. "It is much easier, and much quicker, for officers to stimulate development by making grants from whatever funds are available. Such grants, however, are no substitute for a skilful and sympathetic officer's time. They encourage a type of community mendicancy an undue waiting on material help offered from outside the community which may actually destroy the valuable self-help characteristic of this form of community development." 7/
- 80. Where a community development agency receives supplemental grants from special funds, from the Cocoa Marketing Board in Ghana, for example, or from external sources such as bilateral or multilateral technical assistance agencies or philanthropic foundations, special arrangements may be necessary to take these grants into account in the budget and appropriation process and to ensure accountability. In some countries, these grants are treated separately from other public funds, are not subject to the same controls as the latter and may not even be audited by the granting agency. Elsewhere, some grants may be audited both by the auditing agency within the government and by the granting agency.
- 81. Arrangements for providing credit to communities and individuals will usually be necessary if community development activities are to realize their full potential. Credit should be available for community self-help projects such as small irrigation works and power plants which may be self-liquidating. Similarly, farmers will need credit if they are to take advantage of the advice they receive on use of improved seed, fertilizers, insecticides, etc. At the same time, protection is needed against over-borrowing and against losses resulting from natural disasters. Where the community development agency itself provides credit as well as grants and extension services, problems arise in applying distinctive criteria for making grants and loans; and, if both are provided by the village level worker, problems of accountability, of impairing the worker's relationships

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^{7/} T. R. Batten, Communities and their Development, 1957, p. 55.

with the people, and of burdening the worker with onerous tasks also arise. Although it may be necessary for a community development agency to initiate credit activities, credit funds should be kept separate from the operating funds of the agency and steps should be taken as rapidly as possible, at least insofar as credit to individuals is concerned, to develop other means for providing credit such as co-operative societies, credit agencies or, as in Brazil, arrangements with established banks to administer the loans.

-32-

V. SPECIAL PERSONNEL REQUIREMENTS

82. It is axiomatic that the quality of personnel largely determines the quality of public administration. Community development programmes, on the one hand, are affected by the general quality of public personnel in a country and, on the other, make additional demands on personnel administration. They are likely to increase the workload of recruitment and training of all types of personnel and to pose some distinctive personnel problems and requirements which are of interest from a general public administration standpoint. These problems and requirements arise from: the need for village level workers; the identification of political leadership with community development programmes; the need for technical personnel to support self-help efforts; and the need for genuine teamwork among community development, technical, administrative, and local government personnel and officials. These are discussed below.

The Need for Village Level Workers

83. Most of the discussion which follows relates to paid village level workers (i.e. civil servants) but the importance of training voluntary workers and leaders 1/ and of developing needed skills among the people themselves should be stressed at the outset. As technical and leadership skills develop among the people, the area coverage of paid village level workers can be widened; or, if paid workers serve too large an area, the training of voluntary leaders and other local persons may, as in India, be viewed as an alternative to increasing the number of paid workers.

84. Ceylon, where the shortage of technical personnel is less acute than in India, employs community development officers only at district and sub-district levels. It has not employed village level workers partly, it is reported, because of fear that they might dominate or compete with village leaders. It is attempting instead to train voluntary leaders to serve as a link between the rural development societies and the technical services of the government. Most of them are given short courses for purposes of orientation and the acquisition of simple techniques in various fields. Some undergo comprehensive training, including instruction in community organization methods. 2/

-33- /.

The terms "voluntary workers" and "voluntary leaders" are commonly used in community development literature and are therefore used here but they are somewhat misleading. The word "voluntary" here means only that the persons (e.g. village councilmen, midwives, artisans, etc.) are not paid by central government. They render services without any compensation whatsoever or may be paid by local government or according to other local means of compensating for services. The question of whether or not a person receives compensation for his services is in this context less important than the fact that the skill has been developed and institutionalized locally.

^{2/} Ceylon (United Nations Series on Community Organization and Development), (United Nations Publications, Sales No. 1953.IV.23), p. 13.

- 85. According to the General Manager of the Jamaica Social Welfare Commission, Jamaica had the following experience with village level workers which led it to widen their area coverage:
 - (a) In 1945, a new type of officer the village worker was introduced. These workers were recruited from the voluntary leaders and given fairly small salaries. They were expected to live in the villages and demonstrate to the voluntary workers how to exercise initiative, enterprise, loyalty and good moral conduct. The introduction of village workers succeeded in stifling initiative, in encouraging voluntary workers to hand over responsibilities to village workers. It also reduced the voluntary leaders in status. The village worker became the "king pin" of the village. People lost interest in their groups; very soon the groups dwindled and community co-ordination was considerably weakened.
 - (b) In 1948, the concept of village instructor was evolved to replace that of the village worker. Like the village workers, the village instructors are recruited from voluntary workers. They are not limited, however, to one or two villages. They serve as assistants to the area officers and are expected in the main to recruit the voluntary leaders and to play a part in training them. They are essentially, therefore, junior training officers. They function like general-purpose village level workers, playing quite a part in six or twelve communities as catalysts of community self-help effort. None of these village instructors performs any of the technical services such as health, education and agriculture. Their specialist functions are limited to those assigned to the Commission, such as co-operatives, home economics, handicrafts, literacy, drama and dancing.
 - 86. In one country which is planning a nationwide community development programme, the United Nations Technical Assistance expert writes that "the issue of the use of multi-purpose workers versus exclusive use of technical specialists has not yet been settled. Minimum needs of multi-purpose workers would be about 800, at the rate of one per commune of 8,000 to 10,000 inhabitants, with possibly an equal number of women workers. Several high officials believe that all that is needed to achieve the purposes of a community development programme is, on the side of the government, to train the specialists at the local level (cercle) in the philosophy and methods of community development and to train community leaders (councillors and animateurs ruraux bénévoles), without creating any new co-ordinating mechanism or using multi-purpose workers. The experience to be acquired in pilot project operations to be started soon will alone tell what formula should be adopted for the programme which will best fit its requirements and aspirations ... "There is need to analyse in what circumstances and for what purposes local persons can be trained to function as effectively or more effectively than paid community development workers. 3/

- 34-

A group of community development experts recommended that action research programmes be developed in selected areas to evaluate the effectiveness of using voluntary village leaders to expedite the process of community development. It recognized that the full programme could not be expanded faster than financial and personnel resources permit, but it thought that expansion of the programme could be expedited by utilizing more fully voluntary village leaders such as teachers, religious leaders, village elders and others to stimulate the spirit of self-help as had been done in the Gold Coast with good results. See United States of America, International Cooperation Administration, Team 3 Community Development Programmes in India, Iran, Egypt, and the Gold Coast, Washington, D.C. 1955, p. 27

Training and local institution building should be directed toward an ever-widening role for voluntary leaders and other local persons who are not paid by central government.

- 87. Nevertheless, it is a fact that many programmes employ community development workers at the village level. However, the practices of different countries vary widely in (a) the type of person recruited for this purpose, ranging from villagers with little formal education to university graduates from urban as well as rural backgrounds; (b) the methods of selecting and training them; (c) areas to which they are assigned, including the size of the area and the extent of personal identification of the workers with the villages to which they are assigned; (d) the functions they perform; and (e) their relationships to technical supervisors and to local government. There is so far no evidence to explain both the causes and consequences of these differences. Social scientists skilled in human relations research might, working closely with administrators, develop practical guides with respect to (a), (b) and (c) above that would have value from a budgetary and personnel standpoint. Since the main role of the village level worker is to act as a catalyst of self-help effort, research on the qualities to be sought and the methods of identifying them could probably be designed so that the findings would have wide application. With respect to differences in the size of area to which workers are assigned, there are so many variables (e.g. type of programme, settlement pattern, transport facilities, ease of communication with the people, and availability of supporting technical services) that the research would have to be carried out in each country or comparative research would have to be confined to countries having similar conditions and programmes. One concept, the validity of which ought to be examined, is that, where funds are limited, and opportunities exist for spectacular improvement, such as in agriculture, village level workers should be located in non-contiguous sectors over a wide area in such a way that the influence of work in each sector will, like drops of oil, spread outward - thus magnifying the results. This concept is being applied with apparent success in the programme of the Indian Economic Development Service of Guatemala.
- 88. Research by public administration specialists might help governments to decide what functions the village level worker should have and what his relationships with representatives of the technical services and with local government should be. It would also shed light on what career opportunities in the public service should be open to him. It has been suggested, for example, that the position of village level worker might in some countries be a good starting point for a career in the national administrative service. The most urgent need for research, however, is on the functions and relationships of this new type of civil servant. Should the village level worker do no more than stimulate people to act and put them in touch with the appropriate departmental technicians or should he also acquire and transmit the simple skills which one or more of the technical agencies hope the villagers will acquire? Underlying this question and much of the conflict between departments engaged in community development work is the question whether, and to what extent, the functions of the community development workers can be combined with those of the field personnel of one or more of the technical services such as education or agricultural extension.

- 89. The issues might be clarified if distinctions were made in terminology between different types of paid workers at the village level. 4/ The following definitions are suggested:
 - (a) The term "general-purpose village level worker" (or "general-purpose worker") refers to an employee of a community development department or agency who serves primarily as a catalyst of community self-help effort. He may in addition perform related community education and community organization tasks on behalf of his agency. Moreover, he may participate from time to time in extension campaigns conducted by his agency on behalf of a technical service.
 - (b) The term "multi-purpose village level worker" (or "multi-purpose worker") refers to an employee of a community development department or agency who serves as a catalyst of community self-help effort and regularly performs rudimentary functions on behalf of and under the direction of two or more technical services.
 - (c) The term "dual-purpose village level technician" refers to a village legel technician or auxiliary (e.g. school teacher or agricultural extension worker) who is employed by one of the technical services and has been given the additional function of serving as a catalyst of community self-help effort on similar lines to a general-purpose worker.
 - 90. The term "village level worker" refers to all three types of paid workers who serve as catalysts of community self-help effort. "Village level" simply means that the worker normally has direct contact with the people in one or more villages.
 - 91. The use in Ghana of general-purpose workers to promote the campaigns of technical departments tends to give them some of the qualities of multi-purpose workers; they are trained by the technical department concerned and sometimes perform rudimentary tasks on their behalf in addition to carrying out extension work. However, only one campaign is mounted at a time and it is carried out by the community development department so that, from an administrative standpoint, the workers function more as general-purpose than as multi-purpose workers. The United Nations Workshop suggested that a separate category be established for this type of worker. 5/ However, this would seem warranted from an administrative standpoint only if it is found on further study that the participation by the worker in campaigns affects his regular relationships with technical agencies or his ability to serve as a general catalyst of self-help effort.
 - 92. This merely illustrates the fact that there are wide variations, as between programmes that employ the same category of worker, in the functions assigned to him and the way in which he works. Moreover, the actual functions and relationships of workers in each category are not (and should not be) as clear-cut as stated in the definitions. For example, a general-purpose worker may often perform odd tasks informally for representatives of technical services and vice versa.

-36-

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Some controversies may be due to the failure to recognize the various roles that are possible for village level workers and also to the use of the same term "multi-purpose worker" in referring to all such roles.

^{5/} Annex to E/CN.5/334 Add.4, para. 100.

- 93. Nevertheless, the categories are useful. They make it easier to visualize the circumstances under which each type of village level worker might be used most effectively. It may be found, for example, that the general-purpose worker is suitable for stimulating self-help in any fields in which the people have the necessary skills or in which supporting technical services are available. multi-purpose worker may be useful where technical personnel are not available in sufficient numbers to provide direct services to the villagers and where conditions exist for field co-ordination of technical services. In such cases the skills of the technician can perhaps be most effectively used if he can count on the assistance of the multi-purpose worker. The multi-purpose worker is, of course, no permanent substitute for the village level technician. It may further be assumed that the multi-purpose workers, if needed at the outset, will gradually change into general-purpose workers as village level technicians and skills among the people increase. The availability of technicians will probably differ between regions of a country so that it might be desirable to have multi-purpose workers in some parts and, in others, general-purpose workers. Moreover, the area to which general-purpose workers are assigned can be increased as voluntary local leadership and the community's capacity for initiative develop until paid community development workers at the "village level" are no longer required.
- 94. The dual-purpose technician may be particularly appropriate in the early stages of a community development programme or where circumstances do not permit the employment of multi-purpose or general-purpose workers. For example, if a health unit is the first to extend its services in a rural area, it may be desirable for its technicians to stimulate the people to do something about their water supply, roads and even agricultural production until other services become available. Where there is more than one technical service in a region, there should be agreement, of course, on which technicians will have the additional functions of a general-purpose worker.
- 95. Hypotheses such as the above should be examined; if proved sound, they would provide useful guides to governments in designing their community development programmes, and if generally accepted, might lessen inter-departmental conflicts in those areas where, for example, the general-purpose worker might appropriately be substituted for the multi-purpose worker and where the departments concerned can agree on the technicians who will be recognized as dual-purpose workers and given the necessary support.
- 96. The classification of village level workers also illuminates the public administration questions involved in using them. The problems of recruitment, training, supervision, and technical support of each type of worker are distinct. The question of what functions a village level worker should and should not perform is clearly most relevant to multi-purpose workers. And there are some problems, like relations with local government and other community leaders, that can be identified as generally applicable to all village level workers.
- 97. Since the multi-purpose worker is expected to perform rudimentary tasks on behalf of various technical services in addition to serving as a general catalyst of community development, his training must prepare him for these tasks and suitable methods for directing and supervising his activities on behalf of the technical services and for allocating his time must be developed. A study of the relationships of the multi-purpose workers to field technicians and to their community development supervisors is needed and should be given priority attention.

-37-

In Pakistan, the community development supervisor at the block level, provides the channel of communication between the multi-purpose worker and the field technicians. In India, the multi-purpose worker takes instructions from both the technical staff at the block level and the block development officer. The latter is "captain of the team" in the block. He is in a direct line relationship with the multi-purpose workers. Although technical staff are responsible to the representatives of their respective departments at the district level on technical matters they are, with rare exceptions, responsible for administrative matters to the block development officer. As indicated below, difficulties in relationships between technicians and multi-purpose workers in India and elsewhere remain to be worked out:

- (a) "At present the contacts between the block level specialist and the Gram Sevak (multi-purpose worker) in fields other than agriculture are few and far between: most of these specialists are engaged in routine work in their fields while the Gram Sevak is pre-eminently an extension worker. Moreover, the block level specialists feel that they can do without the Gram Sevak. According to them he is either not available or not qualified enough in their fields to act as a channel for the transmission of technical assistance to the villager. This situation hardly fits in with the concept of the role of the Gram Sevak as the multi-purpose extension worker. The latter should either be qualified in more fields than he is at present, but have a smaller area to look after, or alternatively he should be more qualified in a few fields and share with other village level specialists the task of serving a bigger charge. More thinking should be devoted to this basic issue. The basic role of the Gram Sevak is that of the generalpurpose extension worker which is buttressed by his specialized knowledge of the most important field, viz. agriculture. It is difficult to think of him as a multi-purpose specialist, and as the rural economy develops, the need for specialized services will grow and the number of specialized functionaries at the village level have to be increased." 6/
- (b) "Competition often develops amongst technical officers for the time of the multi-purpose workers. With the emphasis in national programming on increasing food production, the bulk of the time of the multi-purpose worker in training and work has to be devoted to agriculture. One remedy suggested by some is to have a full-time village agricultural technician and a multi-purpose worker for other activities. India, however, regards the multi-purpose village level worker as an integral part of the pattern of administration and co-ordination in the development block. The concept is that the block organization, consisting of the block development officer, the technical subject matter extension workers, the social education organizers and the village level workers should, working as a team for the furtherance of an integrated programme of rural development, function as the common agency of all the development departments. To enable the village level worker to give due attention to agriculture it may be necessary to increase the number of agricultural technicians at the block level who can provide better guidance to the village level worker than is possible

-38-

^{6/} India Planning Commission, Programme Evaluation Organisation. The Fifth Evaluation Report. New Delhi, May 1958, p. 150.

today with only one such technician at the block level. A practical measure being taken is to expand greatly the training of village leaders in specialized fields, including farming and to stimulate the growth of co-operatives, panchayats, and other people's organizations." 7/

- 98. In one country, where the multi-purpose worker concept was transplanted from India, the concept has been modified but apparently without success. There, upon completion of a multi-purpose type of training the field workers are assigned to a given community in teams of five and work under the supervision of a team director. Each of the team members is given responsibility for a specific field of activity such as co-operatives, housing, sanitation, agriculture or other activities, although none of the workers has received any special training in these fields beyond the scanty general instruction included in the training programme. A technical assistance expert says that in view of budgetary restrictions and staffing problems, this system not only makes ineffective use of personnel supposedly training for multi-purpose work but also creates a source of irritation for the technical services and their field staff.
- 99. There are several questions involved in the use of dual-purpose technicians that need study: whether they can do the two jobs satisfactorily; whether they can attract the support of other technical services where they are all attached to one of them; and whether the general catalytic function can be added to the duties of different kinds of technicians in different villages both as a means of fostering inter-departmental co-operation and so that technicians might be selected who seem to have the personality, enthusiasm, and skills needed for successful community development work. These problems could be examined in various countries in Latin America where either teachers or farm extension agents serve as dual-purpose technicians and in Indonesia where village level technicians employed by different technical services are reportedly selected for their human relations skills to serve as catalysts of self-help effort (i.e. "qual-purpose technicians") and paid a bonus for this purpose by the community development agency. In the Philippines there has long been controversy among those who advocate the use of rural teachers, farm extension agents, and the present general-purpose workers employed by the Office of the Presidential Assistant for Community Development as village level workers. There is also a diversity of view on this subject among the foreign technical assistance advisers. Some contend that substantial savings could be effected, without loss to the programme, by utilizing existing field personnel such as rural teachers or farm extension agents for this purpose. Those who favour the present arrangement point to the weaknesses of an earlier experiment in community education carried out in a few provinces of the Philippines in which teachers were reportedly overburdened by the task of meeting both the need of children for formal education and that of adults for community education. There are those who are concerned about the cost of the present system of employing special village level workers but who are opposed to the use of technical personnel for that purpose, and suggest training voluntary workers as has been done in Ceylon.

100. The problem of what functions the village level worker should not perform arises mainly in connexion with multi-purpose workers although the conclusions would apply equally to other workers as well. The United Nations Workshop concluded that the village level worker should not perform:

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^{7/} Report of the United Nations Workshop, Annex to E/CN.5/334/Add.4, para. 106 (ii).

- (a) Technical functions beyond his competence as determined by technical officers;
- (b) Any continuing or intermittent function which may impair his relations with the people (e.g. revenue duties, or granting and collecting loans);
- (c) Continuing functions (e.g. provision of credit and sale of seeds) that detract from his main task.
- 101. It would be useful to elaborate on the list of activites that village level workers should not perform. The following is suggestive of the possibilities of doing so through further research:
 - (a) The Third Evaluation Report firmly opposed the idea of having multipurpose workers serve as secretaries of co-operative societies on the grounds that they should not be identified as serving any particular group within the village.
 - (b) The Third Evaluation Report also indicated that experiments in a few areas of having the multi-purpose worker serve as secretary of the panchayat have not been successful, but it suggested that the combination of these posts merited further examination. Later the Committee on Plan Projects recommended, with one member strongly dissenting, that the area of the village level worker be reduced and that he be assigned additional functions, including that of development secretary to the panchayat. 8/ The Fifth Evaluation Report states that the practice of combining these posts has been discontinued, although the secretaries of panchayats in at least one state are performing certain extension and other development functions. India's experience with various relationships of village level workers to village government councils would probably be of interest to the Philippines and perhaps other countries. In the Philippines, which uses general-purpose workers, the idea that local government should in due course pay the salaries of village level workers has existed from the beginning of the community development programme, and one province has offered to pay the salaries of community development workers assigned thereto by the Presidential Assistant for Community Development. In Morocco there are some who feel that the secretaries of communes rurales should assume a large measure of responsibility for planning and stimulating community development activities in addition to their local government work.
 - (c) An experiment carried out in Bombay for a number of years and only recently abandoned of combining revenue, agricultural and co-operative functions with those of the multi-purpose workers ought to be written up in detail. Community development areas in Bombay coincided with administrative areas and the heads of the latter also directed the development effort. Field personnel of the revenue, agriculture, and co-operative departments were trained in each other's specialty as well as in community development methods, after which they were assigned to serve as multi-purpose workers and to perform tasks on behalf of all three departments. They

-40-

^{8/} India. Planning Commission, Committee on Plan Projects, op. cit., pp. 34-35.

became part of the regular staff of the collector (head of administrative district) and no longer looked to their old departments for promotions. The Second Evaluation Report expressed the view that the "Bombay model" concentrated too much control over technical matters in the revenue officers and caused multi-purpose workers to spend too much time on their revenue duties at the expense of their development functions while at the same time, they were not performing their revenue duties satisfactorily. The lessons from this experience should be recorded and made known. 9/

The Identification of Community Development with Political Leadership

102. "It is our conviction that the success of the community approach on a national scale and indeed of over-all national development plans and programmes requires a philosophy, or at least, an ideal with sufficient emotional content to provide the drive needed for action programmes. This philosophy or ideal must be accepted and felt by leaders of national policy and sufficiently understood and accepted by a sufficient number of people to provide popular support. A plan with no moral appeal is just a blueprint. "10/ Political support of a non-partisan character for the programme must be strong enough to inspire people with new hope, to overcome the inertia and fragmentation of tradiational bureaucracies, and to transform the attitudes and working habits of public personnel.

103. The community development agency in integrative type programmes is often placed in the office of the president or prime minister in order to gain the maximum value from the political leader's support of the programme. But this is not enough. It must have his vigorous leadership and support, as the programmes in India and the Philippines have had. The Philippine programme has even carried the name of its presidential sponsor and been called the Magsaysay Community Development Programme. Moreover, it needs support from legislators and, if it is to survive changes in governments, opposition party leaders. Community development programmes of all types depend for their success on maintaining this delicate balance between receiving active political support on the one hand and remaining non-partisan on the other. Recruitment of community development workers on the basis of merit, and measures to prevent them from using their positions for political purposes will contribute to that end.

104. Special measures may also be needed to inform civic leaders of the nature of community development programmes, as a basis for gaining their whole-hearted support.

-41-

Goswami, "The Structure of Development Administration", Indian Journal of Public Administration (New Delhi) April-June 1955, says that combining regulatory and development functions in the same functionary below the subdivision level risks the "constant temptation" to resort to the short cut of "coercion" in order to produce quicker results. He suggests that perhaps with the growth of a healthy panchayat system in the villages it would be possible to transfer some of the revenue collection and coercive functions to those bodies.

Report of the Mission on Community Organization and Development in Southeast Asia, (United Nations Publications, Sales No. 1953.IV.24), p. 49.

- (a) The United Nations Workshop recommended that international organizations create opportunities for national leaders to obtain first-hand knowledge of community development programmes and their administration in other countries. A study tour to India and Pakistan, which a group of high Philippines officials made in 1957 under the joint sponsorship of the United Nations and the United States International Cooperation Administration, reportedly helped the Philippine programme. If the United Nations fellowship system or other existing programmes cannot be adapted to provide such opportunities for high officials, a new system should be established for that purpose.
- (b) India has started an orientation programme in community development for elected representatives for all levels of government. Camps will be held for members of parliament and of state legislatures in which they will participate with high level officers in a seminar extending for a period of a week to ten days. Ten booklets have been prepared for use at these seminars.

The Need for Technical Personnel

- 105. Many of the distinctive problems mentioned in other sections of this report relate to technical personnel: their relationship with one another and with community development workers at all levels and with local government. Two other problems involving them are noteworthy.
- 106. A common tendency in community development programmes is to underestimate the need for obtaining qualified technical personnel. The choice of the work to be done through self-help effort and the quality of work done will depend on the technical knowledge available to a community. The report of the United Nations Mission to study Community Development in Africa noted that in the territories it visited the extension services, particularly in agriculture, health, and home economics, were spread too thin; it found that, as a consequence, there is lack of balance and a strong temptation towards a relative over-emphasis on the short run and the spectacular. An analysis of methods of phasing the training and assignment of village level workers in relation to the projected availability of technical services, both direct and supporting, would be useful. 11/
- 107. Another problem is that of developing incentives to attract technical personnel to work in rural areas. The problem may be rooted in part in the values of the respective professions and of the society itself which need to be changed.

Direct services are those such as agricultural and home economics extension, health services, schools and literacy teaching, vocational training, promotion of handicrafts, organization of co-operatives, social services and others in which the technician or practitioner works directly with the people of the village. Supporting services are one stage removed from the people themselves but involve such vital functions as training the practitioners, research and experimentation related to specific problems faced by the practitioners, and organization and administration of all the technical services involved in community development. The Economic and Social Council Official Records, Twenty-fourth Session, Annexes, agenda item 4, document E/2931, annex III, para. 49.

However, material as well as social incentives are needed to attract technical personnel to rural areas. In countries where the basic compensation is so low that civil servants as a normal practice hold more than one job, it is especially important that special allowances and facilities be granted for work in rural areas where the opportunity for supplemental income is very limited. A comparative study should be made of the special inducements which are provided or which might be considered by governments to encourage qualified personnel to work in areas which are remote from cities.

The Need for Teamwork

- 108. Good personnel administration can help lay the foundation for genuine teamwork among field personnel involved in a community development programme. By teamwork is meant, not the formal collaboration which is usually associated with committees, but rather the spirited joint effort that emerges from dedication to the achievement of common goals and from respect for one another's contribution. Such teamwork among representatives of different agencies is the exception rather than the rule. The task of transforming the habits and attitudes of personnel in old agencies and infusing them with enthusiasm through retraining and the provision of incentives is perhaps one of the most difficult problems involved in the administration of community development programmes. New personnel require initial (post-entry) as well as in-service training. Interchange of information on methods of training various types of personnel would be useful, including:
 - (a) Arrangements for giving training in community development skills to technical personnel and training in technical skills to community development personnel; and
 - (b) Methods of balancing in-service training requirements with administrative demands in the field.
- 109. Care in the recruitment and assignment of new field personnel is recognized as important. In some places, technical personnel with desired qualities of personality and skills in human relations are being promoted to positions as community development officers in order both to take advantage of their abilities and to improve relationships between the various types of personnel.
- 110. Joint training of technical, administrative, and community development personnel also fosters teamwork, assuming, of course, that the organization as well as the content of the training programme is conducive to it. T. R. Batten says that "Local inter-departmental team work is developed by providing enough opportunities for local field workers to meet at ... conferences, seminars, workshops, or training days where they can discuss their common needs and desires".12/
- lll. Mr. Batten also recognizes the problem of institutionalizing team work and enthusiasm and suggests that open criticism of the methods and aims of the programme be encouraged. He reasons that personnel cannot be enthusiastic about an agency or programme they do not believe in and that criticism is a way of

-43-

^{12/} Op. cit., p. 207

exposing disagreement and adjusting differing views.13/ The community development programme in India is notable in the opportunities afforded through conferences, Kurukshetra (official organ of the Ministry of Community Development and Co-operation), the annual evaluation reports issued by the Planning Commission, and other means for personnel to air publicly their disagreements with administrative policies and methods. There are reports that village level workers do not feel free to voice criticisms in staff meetings 14/ and that, although their criticisms may be heard and even accepted by high officials at top level conferences, the block development officers may "take it out on them afterwards". Nevertheless, the opportunities for personnel to criticize are unusually great in the Indian programme. Information on the effect of this criticism on teamwork and on the programme generally might contribute to public administration theory as well as to the improvement of inter-departmental teamwork for community development purposes.

112. A common grounding of technical as well as other field personnel in community development methods and in elements of governmental administration, including local government, in the country concerned seems essential. On the basis of a review of some of the materials used in training community development personnel in public administration, it appears that much can be done to improve such training at both national and regional centres. Several public administration training programmes have introduced courses and, in one case, field work in community development methods as part of the curriculum. Consideration should be given to encouraging this trend by providing training opportunities for instructors and facilitating the preparation of teaching materials. It is important that universities and technical colleges generally should come to realize that the body of knowledge and skills in community development provides a basis for special courses and merits special attention by academicians in various fields.

113. Much can also be done, perhaps, in other aspects of personnel administration. For example, personnel rating systems normally seek to measure only individual performance. In some British territories, the field administrator rates departmental representatives on their co-operativeness. It might be worth experimenting with a system under which teams are also rated, and the individual's rating made a composite of his own and his team's performance. Moreover the basis for rating individual and team performance should be consistent with community development objectives - with emphasis, for example, in the rating of village level workers on achievements in community education and organization rather than on community facilities built. 15/ A comparative analysis of

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^{13/} Op. cit., p. 214.

^{14/} Dube, op. cit., p. 167.

This is part of a more general problem of minimizing the strain on personnel who are supposed to be responsive to the needs of communities and individuals and also to the institutional requirements of the department that employs him. "Research on this question might reveal that functionaries working in bureaucratic organizations which do not require community participation for the success of their programmes suffer less stress than do functionaries working in systems which require that the worker balance the requirements of his Gesellschaft-like employing organization with the Gemeinschaft-like requirements of families and communities." See C. P. Locmis and J. A. Beegle, Rural Sociology - the strategy of change. Englewood Cliffs, Prentice Hall, 1957.

experiences in the rating and rewarding of personnel engaged in community development work would probably be of value.

- 114. Job descriptions, where used, may need a thorough review to minimize unnecessary overlapping and duplicative functions of technical personnel of different departments and to make co-operation and teamwork an integral part of job performance. They should be detailed enough to provide a guide for training and work but not so restrictive as to leave gaps in field tasks that must be carried out. Where duties of specialists overlap, and some overlap may be desirable, primacy of interest should be established.
- 115. The practice of rotating personnel every two or three years can have a very disruptive effect on teamwork and on the community development programme generally. In India, it was found that personnel subject to such rotation were preoccupied with meeting target dates on construction projects. They resorted to ad hoc committees to expedite public acceptance and participation, instead of using and strengthening local governmental institutions and thereby providing greater assurance that facilities which were built would be maintained. It has been observed in East Africa that rotation confuses the villagers because different personnel manifest different conceptions of priorities. In Ghana, it has been found that too much rotation has an unsettling effect on personnel and too little leads to stagnation. The point of balance will differ according to type of personnel and circumstances, including the effect of rotation on teamwork.
- 116. Conditions of service also have far-reaching effects on community development programmes. As experience in the Nayarit project in Mexico affirms, differences in salary levels between departments obstruct co-operation between their field representatives. The fact that the salaries of village level workers employed by the community development agency in the Philippines were higher than those of agricultural extension workers (although lower than those of other field technicians) reportedly aggravated inter-departmental conflict in the field. Wide gaps between the salaries of personnel at different governmental levels can obstruct efforts to strengthen local government. The payment of higher salaries to personnel in project type community development programmes than to those in regular agencies can obstruct integration of the project into the structure of government and the possibility of extending the project throughout the country. Ideally, there should be a uniform policy regarding special allowances and facilities where these are needed to attract qualified persons to work in areas remote from cities.
- 117. Differences in symbols of status (e.g. special cadres or office facilities) can impair the ability of persons at the same level to work together as much as differences in salary.
- 118. It might be said that the lack of a uniform system of compensation and other defects of government organization are rooted in politics or tradition. That may explain the condition but the case for rational organization should always be presented as a challenge to such practices. Sound organization will not, of course, ensure good teamwork but it will make it easier to achieve; poor organization may make good teamwork impossible.
- 119. The United Nations Workshop concluded that community development officers can stimulate teamwork among technical officers more effectively by being in a

-45- /•.

position to be of service to them than by having authority over them. It is not essential, in order to ensure field co-ordination, to have a superior officer at the level at which direct services are rendered if other institutional arrangements exist to ensure the flow of information vertically and horizontally and the day-to-day adjustments in the work of individual units.

- 120. In addition to the foregoing, there are some special requirements for teamwork in tribal areas, due to the remoteness of the areas, the cultural differences of the people involved, and the fact that, in such areas, the personal and technical activities of one member of the team are likely to have a greater effect on other team members. They are as follows:
 - (a) Recruitment of highly resourceful persons who have a wide range of skills, the capacity to adapt them to varying circumstances, and a sense of mission;
 - (b) Special training to develop appropriate attitudes and skills for cross-cultural work;
 - (c) Selection and training as village level workers and technicians of persons from the tribal group who can operate as members of a team without loss of identity with their communities; and
 - (d) Experimentation in methodology before application on a wide scale.

-46-

VI. COMMUNITY DEVELOPMENT AND LOCAL GOVERNMENT

121. Local government has developed in many parts of the world as an institutional manifestation of the ways in which people organized themselves to meet common ends. This process of institutionalizing and supplementing self-help effort through local government still goes on in many countries. It is apparent wherever people can, and do, take the initiative to constitute themselves into general or special purpose local government bodies in order to obtain services which established governmental units are not providing. It is also apparent in the way that new functions like public assistance are added to local government as an outgrowth of and as a means of supplementing voluntary effort.

Relationships Between Community Development and Local Government

122. Although community development and local government have much in common and the community development process ought to be applied in local government activities, they are not the same. Community development, whether viewed as a programme for fostering community self-help effort or as the form which that selfhelp effort takes, comprehends activities which are outside as well as those which are inside the usual scope of local government. It may involve specific interest groups or the whole community at a level lower than the lowest unit of statutory local government. Community development programmes seek out natural leaders and encourage social grouping (e.g. sewing clubs) and voluntary effort by persons with common interests whereas local government normally acquires its leaders and both determines and finances its activities through institutionalized processes. The community development approach permits a segment of a community to better itself if the community is not ready to act through local government. Local government may be required to carry out certain functions for central government agencies, some of which may involve the application of sanctions, whereas voluntarism is an essential ingredient of community development programmes regardless of the extent to which they are directed toward national goals. Legal compulsion is usually implicit in the means used by local government to obtain funds or unpaid labour for community projects whereas coercion is in theory (though not always in practice) contrary to the community development approach; thus, local government can, usually by majority vote of a council, compel all members of a community to participate in building a public facility whereas community development must usually rely on consent or, at most, informal sanctions to get all who will benefit from a facility to contribute to its construction and maintenance. Local governments often have permanent staff and funds to pay workers or to contract for services and can therefore undertake larger projects than are possible through community self-help methods.

123. These differences are such that efforts to foster community development and to improve local government can complement one another in various ways, assuming that their objectives are similar. For example, a road or market may be built through self-help effort, with arrangements made for local government to maintain it; a well may be dug through community self-help effort and the authority of local government applied to prevent its contamination; the use of latrines may be advocated through a community development programme while local government requires that latrines be installed where new houses are built. Thus, local government through its prestige, legal power and facilities, can supplement community

-47-

development activities; moreover, to the extent that local governments can be used as a conduit for grants in support of self-help effort and can provide technical assistance in support of that effort, they provide a means for decentralizing and co-ordinating certain aspects of community development programmes. 1/ In turn, community development programmes, by helping to establish community facilities and preparing people for more active citizenship, can contribute to better government.

124. Where local government does not exist or where it obstructs rather than facilitates the process of fulfilling people's needs, community development activities can contribute to the creation or rejuvenation of local government. For example, in new settlement areas, community development activities can influence and help to create local government institutions through the community organization and staffing pattern adopted and the physical layout of home sites. Such activities provide an excellent testing ground for established leadership as well as a proving ground for new leadership. As the members of a community which lacks local government status realize the value of joint action for common benefit, the urge or necessity to organize themselves on a continuing basis makes itself felt; it may be then - and not until then - that they are ready to exercise statutory powers of local government. Timing is thus a key factor in either the creation or modification of local government institutions.

125. In view of this inter-dependence between community development and local government, the relationship between them is somewhat paradoxical. The need for community development programmes is likely to be greatest where local government is weakest - i.e., where local government is virtually non-existent, unrepresentative, or lacking in powers, staff, and fiscal resources. And yet the success of community development programmes in a number of countries depends to a large extent on the strength of local government - that is, on the ability of local government to maintain many of the facilities established through community development effort, to provide a local source of financial and other support and otherwise to meet many of the institutional requirements implicit in community development effort. Nevertheless, community development programmes can unwittingly weaken local government by causing national agencies to carry out on a continuing basis functions which can and should be performed by local government, by establishing facilities and services without arranging in advance for their maintenance, and by creating general purpose development bodies which undermine the role of local government. And reliance on the coercive powers of local government where extension work, community education or voluntary action is called for, can serve to undermine community development effort.

-48-

Local government must be rendered capable of carrying out these responsibilities before being entrusted with them. In one country, plans to allocate community development funds through local government councils were abandoned on the grounds that many of the elected council members were solely politicians and were incompetent; the task was given instead to a regional committee composed entirely of nominated members. See Report of the United Nations Workshop, Annex to E/CN.5/334/Add.4, para. 135 (i).

Administrative Implications

- 126. As a general rule, programmes to improve local government should be planned and carried out simultaneously and in close co-ordination with community development programmes. The need for co-ordination and for building up local government to perform certain services initiated through community self-help effort, is illustrated as follows:
 - (a) In India, the Fourth Evaluation Report (1957) on the community development programme expresses grave concern over the problem of maintaining facilities built during the intensive phase of the programme: "It is obvious that permanent reliance cannot be placed for this purpose on either individual or unorganized or ad hoc collective effort. Long term maintenance of these facilities has to be the responsibility of the village panchayats. A part of the unwillingness of the panchayats to undertake this work is due to the fact that the original construction programmes were undertaken without their being consulted and that these programmes benefited only either individuals or special groups of individuals and not the village community as such."
 - (b) In Eastern Nigeria, "reading rooms were constructed as part of the literacy campaign and their maintenance in each village was made the responsibility of a committee, usually under the headmaster of the village school. Interest soon waned, and today these reading rooms are almost without exception derelict and disused. Yet had they been looked after by a trained, enthusiastic warden employed by the local government council, they might well have lived up to the hopes that called them into existence. The failure of reading rooms in Udi Division, and indeed the ultimate extinction of the mass literacy work there, was in large measure due to a lack of co-ordination between community development and local government." 2/
- 127. Community development programmes should normally encourage and help people to establish a facility or service only if advance arrangements have been made with local government or otherwise to maintain it. Care must also be taken that facilities are not built up so rapidly that the economy cannot support their operation. In some cases technical departments such as health or social services, may agree to maintain a facility with the plan of ultimately transferring responsibility and staff to local government; however, such transfers are exceedingly difficult to bring about without substantial loss in the quality of service. We need to know more about how to effect such transfers and what alternatives merit consideration. Innovations in the organization and powers of local government bodies and their relations with central government may be needed, particularly where, as mentioned earlier, there is a tradition which is conducive to the co-ordination of central technical services at a point close to the communities being served.

-49-

^{2/} I.C. Jackson, Advance in Africa, Oxford, Oxford University Press, 1956, p. 100.

- 128. Measures to improve local government should form an integral part of community development programmes. The technical services agricultural extension, education, health, social services, and so on are recognized in the United Nations as component elements of such programmes. The responsibilities of local government often include some of these services and others too, such as public works, which can affect and be affected by community development activities.
- 129. Some countries have even found it advisable to place responsibility for fostering community development activities and for improving local government in the same agency. The Ministry of Community Development and Co-operation in India was recently given responsibility for aiding states in improving the functioning of panchayats. Comparative study is needed of the effect of various organizational arrangements for discharging community development and local government responsibilities. In some areas where these responsibilities are vested in separate departments, rivalry has developed among the officers concerned; those responsible for local government feel that the community development programme detracts from the people's interest in and support of local government by doing many things which local government should do, and can do better. Traditional leaders and local government officials also oppose the community development programme where they regard it or its principal local contacts as a threat to their position. On the other hand, placing both programmes in the same department might, under some circumstances, subject the community development programme to undue political and other institutional restraints.
- 130. It is sometimes suggested that responsibility for fostering community development should be transferred entirely to the local government units themselves. With allowance for differences in systems of government, local governments might be expected to take over as they become able to do so some of the functions of community development programmes, such as helping communities to develop a safe water supply, and they should certainly be encouraged to take on the spirit and methods of community development. However, until the point is reached where the community development process is established within the government and society, it is unlikely that local governments can fulfil the need for outside stimulation of community development activities.
- 131. Regardless of organizational relationships between the two activities, recognition should be given to the need for planning measures to improve local government along with other community development activities. Account should also be taken of the effect on local government of community development and related activities sponsored by central government departments.
- 132. Attention has therefore been given in the paragraphs which follow not only to the special problems for local government which spring from community development programmes, but also to some general problems affecting local government which merit research or other attention. One of the special problems, that of absorbing new development areas into the regular structure for field administration or transforming them into local government units was discussed in the section on decentralization. Three other special problems are considered below: first, the question of defining the proper use of general purpose community development committees, including their relationship to statutory bodies; second, the relationship of local governments to community development activities in the economic field; and third, the public administration implications of urban community development programmes.

Community Development Committees

- 133. The opportunities and problems in relationships between community development and local government are evident in the experience of general purpose community development committees or councils. These ad hoc bodies have been established in a number of countries as a means of gaining popular participation in community development programmes and of co-ordinating the efforts of public and private agencies which can contribute technical or financial resources to these programmes. In many cases, they include members of the local government council. Where statutory local government does not exist at levels at which community development is effective, ad hoc bodies may serve virtually as local government bodies and they may lay the basis for the establishment of local government, as the village welfare committees have done in Orissa, India.
- 134. On the other hand, it appears that where local government units exist, the creation of general purpose community development committees alongside them may create difficulties without perceptible long-range advantage from a community development standpoint. Moreover, the attempt in several countries to create general purpose development committees on a nation-wide basis by legislation has had little success.
- 135. In the early years in India, considerable emphasis was placed on the creation of village welfare committees and advisory committees at higher levels. The report of the Planning Commission's Committee on Plan Projects states that "... few of the local bodies at a level higher than the village panchayat have shown any enthusiasm or interest in this work; and even the panchayats have not come into the field to any appreciable extent. An attempt has been made to harness local initiative through the formation of ad hoc bodies mostly with nominated personnel and invariably advisory in character. These bodies have so far given no indication of durable strength nor the leadership necessary to provide the motive force for continuing the improvement of economic and social conditions in rural areas."3/ The Committee recommended that panchayats be strengthened and linked organically to form a new unit of local government at the block level. As noted in Appendix B, India has now abandoned the creation of ad hoc village councils and is emphasizing the improvement of panchayats and the ultimate conversion of advisory development committees into statutory bodies.
- 136. The Commission on Local Government in Ceylon endorsed the idea of self-help fostered by the rural development movement but recommended that the public works being done by the Rural Development Societies should be done in future through the village (local government) committees. It stated: "There is no gainsaying the fact ... that the legally constituted democratic institution of the village, namely, the village committee, quite rightly feels that it is being supplanted and atrophied and is losing its appointed place in village society. There is strong and persistent feeling that as a result of the rural development movement, diarchy is being created in the villages and its corporate life split in two."4/
- 137. The relationship of development committees to local government bodies at provincial and municipal levels in the Philippines merits examination (The barrio

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^{3/} India. Planning Commission, Committee for Plan Projects, op. cit. p. 5.

 $[\]underline{4}/$ Ceylon. Commission on Local Government, Report (Sessional paper XXXIII, 1955).

council, a village level statutory body, also provides the channel for community development activities). On the one hand the provincial and municipal development committees now approve requests for national grants-in-aid for community development purposes. On the other hand, various proposals have been made to empower provincial and municipal governments to raise additional revenue in order to match national grants and separately to finance community development programmes. Since the provincial and municipal development committees consist of representatives of private welfare organizations and civil servants as well as locally elected officers, it would be worth knowing what effect these committees have had on local government and whether changes in relationships between development committees and local government bodies will become necessary if and when local government raises through taxation a greater share of the cost of community development programmes.

- 138. Use of general purpose committees in project type programmes at Moturiki (Fiji Islands), Domasi (Nyasaland), and Nayarit (Mexico), with lack of full involvement of local government officials, appears to have been a source of weakness in these projects.
- 139. In Ghana, it was found undesirable to have an <u>ad hoc</u> non-elected committee for community development covering the same geographic area as a local authority (i.e. district board). However, community development committees at the village level are proving effective. Experiments have been made to bring together some of these committees into "community development associations" for an area.
- 140. The following hypothesis may be formulated on the basis of evidence from a number of countries: General purpose committees may be utilized successfully as instruments of community development at levels where statutory local bodies do not exist or as a means of effecting basic changes in local government, but they are likely to fail if they exist alongside statutory bodies and there is no pre-conceived plan to relate them in a meaningful way to local government.
- 141. The validity of the foregoing hypothesis ought to be examined in a separate study which should also probe related questions, such as the following:
 - (a) What are the advantages and disadvantages of conferring local government status on a community that is an effective unit for multi-purpose community development? Underlying this question is the question whether the advantages of local government status (e.g. a formal basis for property ownership) can be conferred without making community organization unduly rigid and otherwise impairing the community's capacity for spontaneous action. The effect in Ceylon of conferring certain statutory powers on the rural development committees should be examined in this connexion.
 - (b) What types of formal links by statute, regulation, or otherwise between local government and community development bodies have proved workable or unworkable? What problems arise from the absence of such links?
 - (c) Can guides be developed for designing the form and composition of general purpose community development bodies (e.g. general meetings of adult members or formally organized committees with limited memberships)?

- (i) For example, a recent study in Brazil reached the following conclusion: "In a community unfamiliar with voluntary and non-political administrative devices, the council served as a platform for political disagreement rather than a means of enlisting co-operation. This does not mean that the community council is a defective mechanism. It means that the council, like other products of a particular ideological environment, cannot readily be transplanted to locations with different social and political climates."5/
- (ii) Regarding the relationship of local government officials to general community development bodies at a village level, an expert emphasized the importance of training local government officials in the community development approach. He stated that so long as outside persons are taking responsibility for programmes in a village area, it is only in exceptional cases that the villagers will accept responsibility for them.
- 142. The problem of the relationship of general purpose bodies to local government and the form which these bodies should take needs to be examined separately in tribal areas, account being taken of the individual circumstances of the tribal organizations, including their acceptance by the people, their relationship with local government, and the policy of the government toward them. In one country, for example, a new system of local government is being established simultaneously with a community development programme. A major purpose of the local government reform is to break up the tribal system. And yet, it has been found that to be successful in some parts of the country, the community development programme must make use of certain elements in the tribal organization.
- 143. Community development programmes may provide a means for helping tribal organizations better to meet the current needs of their members or for facilitating the transition from tribal to modern forms of local government. They contribute toward maintaining social integration while introducing technological and other changes. They help the people themselves understand and adjust to changes and they can contribute to national integration as well as community cohesion. In a country which has tribal or other identifiable ethnic groups concentrated in certain areas, the government may have to decide the relative emphasis it wishes to place on community cohesion on the one hand as against national integration in its community development programme. In that event, it is especially important that local government policies and measures be consistent with the decision made.

Role of Local Government in Economic Development Activities

- 144. Several governments are expecting their local government units not only to improve utilities and other basic services but also to carry out wider economic functions which would more directly contribute to local and national development. India is considering a more active role for panchayats in economic planning and agricultural development. Japan and Indonesia are reviving traditional community institutions (the <u>mura</u> and <u>desa</u>, respectively) to meet modern economic needs.
- 145. The question of what constitutes a public interest is critical in drawing the line between matters on which resort to the coercive powers of local government

-53- /...

^{5/} K. Oberg and J.A. Ries "A Community Improvement Project in Brazil" in Health, Culture and Community, edited by Benjamin Paul (Op. cit. p. 349).

may be appropriate, such as to enforce measures for the control of plant pests, and matters on which an extension approach alone may be appropriate, such as would normally be the case in persuading farmers to plant certain kinds of seeds.

There is also the question of the dividing line between the services that local government should perform and those that should be left to co-operative and private endeavour. Community development programmes, especially those of the integrative type, create needs for marketing, credit, and retail channels which must be satisfied if the programmes are to succeed. It does little good to teach farmers the value of good seeds and fertilizers if no channel is made available to supply the items and to provide credit if necessary. Local governments in the countries which have such programmes are not being used for this purpose. 6/ Some governments are attempting to provide the needed channels by the creation and subsidization of co-operatives and other institutions. It would be useful to know how these institutions are organized, what rules they operate under, what functions they perform, and what their relationship is to central and local government and to general purpose community development bodies. Ceylon, where government-subsidized multi-purpose co-operatives were recently established at the village level, might provide good material for a study of this problem. It also has rural (community) development societies and village (local government) committees. It has also been suggested that a study be made of the relationship between local government and the Societes Mutuelles de Production Rurale in African republics that are members of the French Community. 7/

Urban Community Development

147. The applicability of community development techniques to urban areas is being examined by the United Nations in a separate study. 8/ The observations below on the distinctive opportunities and problems for public administration in such programmes are based largely on reports of a pilot programme which has

-54-

The Fifth Evaluation Report on the programme in India recommended that additional responsibility for development works should not be imposed on panchayats at least until they discharge adequately their elementary civic responsibilities. "The functions of panchayats and co-operative societies should be clearly distinguished from one another ... Arrangement for supply of seed, development of cottage industries, etc., are jobs for co-operative societies and not the panchayats." Op. cit., p. 153.

^{7/} Report of the Mission to Survey Community Development in Africa, ST/TAA/Ser.d/26-ST/SOA/Ser.O/26, para. 72.

^{8/ &}quot;Urban area" refers to an urban economic and social region and not to a city as legally defined. The settled areas outside the legal limits of a city often provide fertile ground for community development work. The essential elements of an "urban community development programme" are the stimulation of the initiative of the people and the joining of voluntary and governmental efforts for general improvement of whole urban areas as well as neighbourhoods.

been carried out since 1952 in cities of Pakistan. The United Nations has provided technical assistance for the programme, one of the few in developing countries that is called an "urban community development programme". Because of the possible general application of lessons to be learned from the experience in Pakistan, an on-the-spot study of it deserves high priority.

148. The rapid growth of urban areas creates needs, both for services and for means of community expression, which the framework of government and society often does not adequately meet. 9/ These needs exist at both neighbourhood and area-wide levels. Community development can be instrumental in creating and adapting governmental and other institutions to meet them. It can supplement government action or galvanize civic interest that may lead to government action. The application of community development methods in certain programmes like slum clearance and urban renewal contributes to their success. On the other hand, an urban community development programme might unwittingly confuse relationships between levels of government and contribute towards fragmentation of government within an urban area.

149. Responsibility for urban community development at the federal level in Pakistan is exercised by the Ministry of Social Welfare and Community Development which also has charge of the rural (V-AID) community development programme. At the provincial level, the urban programme is administered by the Department of Social Welfare and Local Government in West Pakistan and by the Department of Health and Local Government in East Pakistan. Depressed sections of the several cities were selected for experimental work in community development. Neighbourhood councils were formed, consisting at the outset of anyone who wished to participate and later of representatives of thirteen community service groups, both multi-purpose and single-purpose, which were formed. The following were among the achievements reported for one of these voluntary neighbourhoof self-help programmes, slightly over a year after initiation:

- (a) Three night schools established, with three paid teachers and more than 300 boys and girls attending;
- (b) Three libraries with more than 600 volumes;
- (c) Three clinics, opened twice weekly for one hour each, and served by volunteer doctors;
- (d) Five small recreation centres started, with 110 boys and girls attending regularly;
- (e) Five milk distribution centres established, which served 800 families; and

-55-

^{9/} See International Survey of Programmes of Social Development (United Nations Publications Sales No. 59.IV.2), p. 169-184, for a discussion of measures, including urban community development, for meeting problems of rapid urban growth.

- (f) Of the 15,000 people in the area, over 1,000 were affiliated with service groups, 100 were continuously active, 300 were active on occasion, and 13,000 were reached by the various services provided.
- 150. In addition to establishing and operating these facilities, residents were persuaded to clean their lanes and alleys, and receptacles were provided for garbage disposal. The council budgeted its expenditures and collected necessary funds both inside and outside the neighbourhood area. Assistance was also given to obtain more services from the city. However, the United Nations expert, in reviewing the experience, felt that "more attention should have been given to government relations and interrelations".
- 151. There is a long history of community organization work in urban areas, but the experience in Pakistan seems distinctive in the nature and range of activities which were stimulated in city neighbourhoods by a higher level of government. Several questions arising from a review of this experience merit study and possibly experimentation. They are set forth below in the form of hypotheses.
 - (a) The provision in a neighbourhood through community self-help effort of services which the city ought to provide on a city-wide basis, should, to avoid fragmentation of government, be regarded as a temporary measure and not formalized on a statutory basis. Of course, if the policy of government is to decentralize certain activities to neighbourhood areas, community development workers can be helpful in the execution of such a policy.
 - (b) In order to avoid confusion in inter-governmental relations and to achieve co-operation among interested departments of government, neighbourhood community development workers should, if employed by government, be either employed by, or attached to, the level of government which is expected to provide the governmental services that may be stimulated by their efforts or that may be required to support voluntary efforts.
 - (c) Community development workers in urban areas need not possess as diverse technical skills as workers in rural areas. With rare exceptions, they will not be called upon to perform rudimentary functions on a regular basis for several technical services, as are multi-purpose workers in rural areas of India and Pakistan, because technical services are more highly developed in urban than in rural areas and their further development would normally lie in increasing the number of specialists rather than in using multi-purpose workers. Urban community development workers will serve primarily as catalysts of civic action and as a liaison between civic groups and government agencies. Thus, in selecting and training urban community development workers, emphasis must be placed on skill in dealing with people in various aspects of urban life. A more highly educated person with more specialized skills in community organization and group work will normally be required for urban than for rural work and conditions of service must accordingly differ.
 - (d) Community development methods are particularly suitable as a means of bringing civic, business, university and other leaders together with governmental officials for a concerted attack on city-wide or metropolitan

-56- /...

area-wide problems. The inter-municipal planning programme in the metropolitan area of San José, Costa Rica, resulted in part from the application of community development methods in field work done by students at the Advanced School of Public Administration for Central America. A number of private organizations in the United States are providing funds and personnel to encourage metropolitan area development programmes. Provincial or state governments in developed and under-developed countries might well consider making available, on an experimental basis, similar assistance to city governments or inter-municipal bodies where the existence of substantial community organization and social and physical research facilities makes urban-wide community development programmes feasible.

General Measures to Improve Local Government

- 152. In view of the inter-dependence of community development and local government, and the need in most cases to regard steps to improve local government as an integral part of the community development programme, it seems appropriate in this study to review what this may entail from a public administration standpoint within a country and to suggest the studies and other activities on an international scale that may be helpful.
- 153. Scarcity of trained personnel, apathy of leadership, and financial poverty are common characteristics of local government in developing countries. The steps to improve local government may include a redefinition of the objectives toward which a country aspires in relations between central and local government, including relations with tribally organized groups; the preparation of a new statutory basis for local government; the provision to local government units of broader taxing authority and of supplemental financial assistance through grantsin-aid and other means; the selection and training of local government employees and re-examination of policies regarding their pay and status; the training of members of local government councils; the establishment of a central government agency to supervise, provide technical assistance, and lend money to local governments; and the adjustment of relationships between local government and field personnel of central government, particularly heads of administrative districts. More fundamentally, it often calls for changes in the circumstances and attitudes which have led people to fear or distrust local government as well as central government officials.
- 154. Although some countries, mainly in Asia and Africa, have programmes under way to train local government officials and otherwise to improve local government, there is a general need for research and information on related experience. A bibliography on rural government, classified according to major problems and including references to experiences of developing local government in tribal areas, would be helpful. 10/Published information on local government in

-57-

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United Nations Educational, Scientific and Cultural Organization,
International Committee for Social Sciences Documentation, The International
Bibliography on Political Science (six volumes issued since 1954), and the
The International Political Science Abstracts (published since 1951),
prepared by the International Political Science Association in co-operation
with the above Committee and with the support of UNESCO, have sections on
local government and non-self-governing territories.

developing countries is increasing but basic surveys will in most cases be an essential first step in a programme to improve local government.

- 155. Comparative studies of local government should also be encouraged, 11/ particularly those which may help in solving practical problems or in reconciling differences in prevailing concepts of the structure and functioning of local government. Two studies of this type are being carried out under United Nations sponsorship: one, by the International Political Science Association, will analyse means of countering over-centralization, including the contribution which local government can make toward decentralizing the functions of government and toward increasing the participation of people in the processes of government; the other, being done by the International Union of Local Authorities, will analyse the services rendered by central governments, unions of local authorities, and other institutions to local governments under different systems of central-local government relations with a view to providing guides for governments that desire to improve their local government units. The International Union of Local Authorities, in collaboration with UNESCO, is also making a comparative study of local government systems on the basis of information which it received from forty countries; detailed information was gathered on local government in Brazil, Sweden, Thailand, and Tunisia, and has been issued in separate monographs.
 - 156. The need to test concepts and theories on the proper structure and functioning of local government is reflected in the many points, set out below, on which two local government survey teams disagreed in the recommendations which they made to the same government:
 - (a) on the degree to which local government should be an instrument of central government;
 - (b) on the desirable number of local government levels, the relationships between units at different levels, and the use of an indirect or tier system of representation;
 - (c) on the relative advantage of large representative bodies and the use of executive committees to transact most business, as compared with small representative bodies and little use of executive committees;
 - (d) on the use of seconded central government administrative and technical personnel to staff local governments;
 - (e) on the relative virtues of the council-manager system of local administration versus the use of council members as department heads; and

-58-

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Comparative studies of rural local government are rarities. Two books are noteworthy: H. Zink and others, Comparative Study of Rural Local Government in Sweden, Italy, India and London, (1958) and the analysis of experience in developing local government in Africa, south of the Sahara, in Lord Hailey's African Survey, London, (1957). The Journal of African Administration, a quarterly prepared by the Colonial Office in London, is an excellent current source of information on rural local government in Africa.

- (f) on the term of office for elected officials one team recommended a term of five years, holding that frequent elections would be disruptive while the other team recommended a term of two years, holding that frequent elections would be a far more effective means of control than rules, supervision and other measures.
- 157. A cataloguing of such problems and of experiences in various ways of tackling them in different circumstances would seem highly worthwhile. The value of such a systematic approach on an international scale is indicated by the pioneer study of the functioning of panchayats as development institutions in fourteen states of India, reported in the Fifth Evaluation Report. It is to be hoped that this comparative study will be continued and broadened to comprehend all aspects of village government. The range of cultural, geographic and other differences in India are such that the conclusions derived from experiences with local government in India will probably have practical applications in some other countries and would be of general theoretical value. Rural local government systems differ among industrialized countries and it is already evident that they must be substantially modified if they are to be applied at all in developing countries; new concepts and new systems, based on circumstances in these countries, are likely to be required. 12/
- 158. A number of countries and territories have established courses to train local government personnel and elective officials and representatives. Some of these courses have been carried out in conjunction with community development training schemes. The British Colonial Office serves as a continuing centre for the exchange of information with respect to such training in territories which it administers, but there has been no broad assessment of local government training in developing countries that might serve as a guide to governments in this respect. Fellowships for local government officials and for instructors engaged in the training of such officials and regional seminars for officers responsible for local government training should be fostered.

-59- /...

F. Burke in "The Application of the English Committee System to Local Government in Uganda", points out that many of the conditions which led to the success of the committee system in England are absent in Uganda where an attempt has been made to introduce that system. See Journal of African Administration (London) 10:39-46, January 1958.

VII. CONCLUSIONS

159. Comparative research and international exchange of information can contribute to the solution of public administration problems involved in community development programmes. These problems and the circumstances in which they arise differ greatly from the problems and circumstances on which most public administration theory has been based. A carefully planned programme of research would provide useful guides for Governments which have adopted, or may in future adopt, the community development approach in parts or all of their territory as a means of strengthening community organization, increasing the self-reliance of communities, facilitating adjustment of people to new circumstances, or generally fostering social and economic development.

Types of Programmes

- 160. Community development programmes may be classified, for purposes of administrative analysis, according to their geographic scope, emphasis on development or on community organization as the main objective, and effect on the structure of government, into three types: integrative, adaptive, and project. (Paras. 16-25)
- 161. The limitations to this method of classification should be recognized. Programmes within each category differ greatly, several programmes evidence characteristics of both adaptive and integrative types, and all are subject to substantial changes. (Paras. 17, 26-28)
- 162. However, the classification is useful as a tool for comparative study and international exchange of information because it facilitates the identification of comparable elements in the programmes of different countries. It also highlights differences in the nature of programmes and the interests of political leadership that call for differences in organizational design. (Para. 30) Further study may reveal the types of situations which might favour the use of one type of programme rather than another. The integrative type may be particularly suitable for countries where the various technical services have not been established in rural areas and the political leadership is determined that they should be. The adaptive type may be more suitable in smaller or more developed countries where technical services are more readily accessible; and the project type may be particularly appropriate for tribal and new settlement and other areas where special services may be required and it may provide a medium for multi-functional community development where conditions necessary for the success of an integrative or adaptive type programme do not exist. (Para. 40) The integrative type of programme has been applied in countries whose governmental systems and leadership are so different that there is reason to doubt that the programme has been tailored to the particular circumstances in each.

Organization

163. So many factors must be taken into account (Para. 31) in designing the organization of a community development programme that it is impracticable to

-60-

formulate rigid criteria or stereotyped models of organization. Nevertheless, useful generalizations seem possible and merit examination and elaboration through further study. (Paras. 32-35)

- 164. The lack of co-ordination of public services is a common complaint in community development programmes, particularly those of the integrative type where it is most needed. (Faras. 41-48) Problems of co-ordination are due to:
 - (a) overlapping concepts of professional personnel and their respective agencies regarding their spheres of competence;
 - (b) excesses of departmentalism, which may result from the combination of organizing by functions and of career systems organized on a departmental basis;
 - (c) controversy between professions and agencies over which one should supply the village level workers.
 - (d) weaknesses in machinery for inter-departmental co-ordination, with too much reliance on committees and too little attention to organizational and personal requirements.
- 165. Whereas voluntary organizations have in the past taken the lead in establishing community development programmes, Governments themselves have now assumed the initiative in this matter. However, voluntary organizations still have an important role to play. The problem lies in developing co-operative relations between them and governmental agencies that will enable them to make their fullest contribution without becoming simply additional instruments of government. (Paras. 49-50)
- 166. Community development programmes create needs for decentralization which may be met by deconcentration of authority to field units or devolution of authority to local government. The establishment in some integrative type programmes of new types of administrative areas for development purposes has created a problem which is both distinctive and urgent, namely, that of absorbing the new administrative areas into the structure of central or local government. A similar problem exists in some project type programmes. (Paras. 52-56)

Planning and Finance

167. Community development programmes, particularly integrative and some project type programmes, create special requirements in planning (Parcs. 65-68) and finance (Paras. 69-81). A list of these requirements along with those in personnel and other fields on which research or an exchange of information would be useful, is presented in the recommendations below.

Personnel

168. The training of voluntary leaders and other local persons reduces the number of paid village level workers required, and in the view of some Governments, is an alternative to the employment of such workers. (Para. 83)

- 169. The paid village level worker who serves as a catalyst of self-help effort is a new type of civil servant. The issues which have developed around the use of such workers would be clarified if separate terms were used (i.e. general-purpose worker, multi-purpose worker, and dual-purpose technician) to distinguish between the ways in which they are employed in different programmes. Paras. 87-92)
- 170. The suggested classification of village level workers makes it easier to visualize the circumstances under which each type might be used most effectively; if hypotheses such as those suggested prove valid, they would aid governments in designing community development programmes and lessen inter-departmental conflict over these workers. The classification also illuminates the different administrative problems involved in recruiting, training, supervising, and giving technical support to each type of worker. Paras.93-99)
- 171. There are certain functions which village level workers should not perform; further research would permit elaboration of the list. (Paras.100-101)
- 172. In order for a community development programme to become established in a country, it may have to maintain a delicate balance between receiving strong support from political leaders and remaining non-partisan, the latter may necessitate measures to ensure that community development workers are recruited on the basis of merit and do not use their posts for political purposes. (Paras.102-103)
- 173. Administrative measures such as joint training, a uniform system of compensation, and rating systems can be instrumental in improving teamwork among representatives of different departments. (Paras.108-119) There are special personnel requirements in tribal areas. (Para. 120)

Community Development and Local Government

- 174. Community development and local government have different features which can complement one another, assuming their objectives are similar. (Paras.122-124) As a general rule, programmes to improve local government should be planned and executed simultaneously and in co-ordination with community development programmes. (Paras.126-131)
- 175. It appears that community development committees or other general purpose bodies may be used successfully as instruments of community development at levels where statutory bodies do not exist or as means of effecting basic changes in local government, but they are likely to fail if they exist alongside statutory bodies and there is no pre-conceived plan to relate them in a meaningful way to local government. (Paras.133-143)
- 176. Urban community development programmes have features which are quite distinct from rural programmes. Several propositions are suggested for study which, if valid, may aid in designing urban community development programmes. (Para. 151)
- 177. Local government systems differ among developed countries and must be substantially modified if they are to be applied at all in developing countries. New concepts and new systems, adapted to the circumstances in these countries, are likely to be required. Basic information on local government is lacking for some countries which have community development programmes. A major effort, including research, training, and other activities, will be required to effect

-62-

improvements in local government which are so essential to community and national development in many countries. (Paras.152-158)

Research on a National Basis

178. The recommendations which follow emphasize the need for comparative study and for training and other activities on an international scale to help governments in solving some of the problems identified in this study. They should not, however, obscure the need of every community development programme for internal research as a guide to action and, where practicable, for periodic evaluation. Certain questions such as the optimum area and population coverage of a village level worker involve so many variables (Para. 87) that useful answers can only be found on a country basis or at most on a limited regional basis. Comparative research can be highly useful in developing guides for administrators and technical assistance advisers and in providing material for training but it is to some extent dependent upon and a supplement to (i.e. not a substitute for) research within individual countries. The problems identified as meriting comparative study will, of course, in many cases be useful subjects for study on an individual country basis.

-63-

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VIII. RECOMMENDATIONS

179. The recommendations below are divided broadly into two categories:
(a) technical assistance and training, and (b) research and the exchange of information.

Technical Assistance and Training

- 180. Arrangements should be made for public administration specialists to participate in organizing community development programmes of all types and to advise on a continuous basis in integrative and some project type programmes. (Para. 30)
- 181. Opportunities should be created for national leaders to obtain first-hand knowledge of community development programmes and their administration in other countries. (Para. 104)
- 182. Regional workshops or seminars should be held to bring together administrators of community development programmes and public administration staff specialists as a means of broadening their experience and advancing knowledge on methods of dealing with problems noted in this study.
- 183. Fellowships for local government officials and for instructors engaged in the training of such officials, and regional seminars for officers responsible for local government training, should be fostered. (Para. 158)
- 184. Materials on governmental administration, including local government, should be specially prepared for use in training community development and technical personnel. The material should be based mainly on the governmental systems in which the trainees will work.
- 185. Materials on community development methods and programmes should be prepared for inclusion in training courses for general administrative officers and local government officials in countries having such programmes.

Research and Exchange of Information

- 186. The recommended studies fall into three categories: (a) comprehensive studies of individual community development programmes; (b) cross-programme studies of administrative problems encountered in community development programmes; and (c) studies relating to local government.
- 187. The United Nations, in co-operation with the specialized agencies concerned, should stimulate the interest of governments and non-governmental organizations including international professional societies, research institutions, and foundations in carrying out the research recommended below. To that end, a meeting of representatives of research institutions and possible sponsors should be held to consider means of stimulating, financing, and ensuring the comparability of the research and of improving the international exchange of information on

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this subject. Consideration should be given at such a meeting to the proposals of the United Nations Workshop that an international advisory committee on research and an international centre for the exchange of information on community development programmes be created for these purposes.

188. The practicability of establishing a system for gathering and cataloguing information on attempts to solve specific administrative problems such as those listed below in the section on cross-programme studies should also be explored, either in conjunction with the proposal for an information centre or separately. The active interest of directors of community development programmes in a number of countries would be necessary before such a system would be feasible. directors concerned would participate in defining the problems on which information would be assembled. Brief studies or sketches of significant experiences in dealing with these problems would be prepared by the community development agencies or research institutions in the co-operating countries and reproduced centrally for distribution so that a complete "file" of such experiences could be maintained wherever community development programmes are carried out. Such a cross-programme file would, it is believed, be useful in preparing training materials and would contribute not only toward improved administration of community development programmes but also to the theory and practice of public administration generally.

Comprehensive Studies

189. High priority should be given to comprehensive studies of the administrative evolution of different types of community development programmes, including experience in dealing with the problems identified in this study. Studies of the programmes in Afghanistan, Burma, Ceylon, Ecuador, the Egyptian region of the United Arab Republic, Ghana, India, Iraq, Mexico, Nigeria, Pakistan, the Philippines, Puerto Rico, Tanganyika, and Uganda are suggested for consideration. In fact, studies should be carried out wherever the governments, in their view, have programmes which accord with the United Nations definition of community development. A thorough study should be made of the Programme Evaluation Organization of India either separately or as part of a comprehensive study of the community development programme. The studies should be planned in such a way as to ensure their objectivity and their maximum value for comparative analysis. (Paras. 36-39).

Cross-Programme Studies of Administrative Problems

190. The administrative problems encountered in community development programmes which lend themselves to comparative (i.e. cross-programme) research are listed below. They serve as a check list of subjects which the comprehensive studies should cover. Those marked with an asterisk deserve priority; they need not and should not await conclusion of the comprehensive studies.

(2) Organization:

- (i) Organization and functions of the department or agency responsible for community development (Paras. 32-35);
- (ii) Causes and possible cures of professionalism and departmentalism (Paras.45-46);

- * (iii) Methods of co-ordination at different levels (Para. 48);
- * (iv) Factors to be considered in establishing new administrative areas for development purposes and in arranging for their subsequent absorption into the structure of government or their transformation into local government units

 Paras.56-58);
 - * (v) Organization for co-ordination of bilateral, multi-lateral, and other technical assistance (Para. 45 (d)); and
 - *(vi) Arrangements for co-operation between governmental and non-governmental agencies (Para. 51).
 - (b) Planning and Finance: Research and exchange of information should be focused on methods of fulfilling the following special requirements of community development programmes:
 - (i) Planning requirements (applicable particularly to integrative and some project type programmes):
 - * a. Arrangments for planning the layout and construction of community facilities and supervision of construction (Para. 65);
 - * b. Arrangements for a two-way flow of planning information between the local communities and the central planning agency, with integral planning at one or more regional levels that coincide with established government areas (Para. 66); and
 - * c. Methods of stating national targets so as to permit adaptations to local circumstances and interests. (Paras. 67-68)

(ii) Financial requirements:

- * a. Flexibility in budgeting particularly for field operations, including flexibility in the purposes for which community development funds may be spent and in the periods within which appropriations for community development activities must be spent (Paras. 70-71);
 - b. Methods for measuring the work load and performance of government agencies which perform community development functions (Para. 72):
 - c. Methods for expediting delivery of standard items of supply and permitting local procurement to the extent practicable (Para. 75); and for accounting for and auditing funds and checking materials, supplies and equipment given in support of self-help effort.
 - d. Methods of minimizing corruption and of countering the centralizing effects it has on financial authority and procedures (Para. 74);

- e. Credit arrangements for individuals and communities Fara. 81);
- * f. Special arrangements, including grants-in-aid, for supporting community development effort across jurisdictional levels and for devolution of financial authority to ensure maximum use of local resources and initiative (Paras. 75-76);
- * g. Methods of granting material assistance to support community self-help effort (Paras. 77-79);
- * h. Methods of calculating the people's contribution to aided self-help public works (Paras. 77-79)
- (c) Special Personnel Requirements:
 - (i) Voluntary workers (Paras.83-86)
 - a. Administrative aspects of training volunteers, including arrangements for expenses, travel, etc.;
 - * b. Circumstances under which voluntary workers may render paid community development workers at the village level unnecessary.
 - (ii) Paid community development workers at the village level (Paras.87-100):
 - a. Qualifications;
 - b. Methods of selection;
 - * c. Functions, including functions which they should not perform;
 - * d. Area and population coverage;
 - * e. Relationship with village level and other technicians and with their community development supervisor;
 - * f. Relationship with local government personnel and elected officials.
 - (iii) Arrangements for community development training for technical, administrative personnel and technical training for community development personnel (Para. 108);
 - * (iv) Methods of phasing the training and assignment of community development workers at the village level with the projected availability of technical services, both direct and supporting (para. 106); and of balancing in-service training requirements with administrative demands in the field (Para. 108);
 - * (v) Inducements, including special allowances and facilities, for personnel to work under conditions of unusual hardship
 Fara. 107);
 - * (vi) Means of overcoming differences between departments in salary levels and in status symbols (Paras.116-118):

- (vii) Methods of improving teamwork in the field (Paras.109-115):
 - a. Identification of persons who will make good team leaders;
 - b. Rating and rewarding personnel;
 - c. Policy on rotation of field personnel; and
 - d. Arrangements to air disagreements.
- (viii) Special personnel requirements in tribal areas (Para. 120).

Local Government Studies

- 191. Highest priority should be given to research that may lead to improvements in local government and its relationship with community development activities. This includes studies listed in paragraph 190 which relate to local government and which are marked with an asterisk. Additional cross-programme studies on relationships between local government and community development follow:
 - (a) The use of general purpose community development committees and their relationship with local government (Paras.140-141);
 - (b) Relationship of community development to local government in tribal areas (Paras.142-143);
 - (c) Relationship of local government to government-subsidized multipurpose co-operatives and similar institutions at the community level (Para. 146);
 - (d) Administrative aspects of urban community development activities in the different settings, including a case study of such activities in Pakistan (Para. 151).
- 192. Other local government studies are listed below:
 - (a) Basic surveys of local government in countries where no recent surveys have been made, with priority given to countries that have community development programmes (Para. 154);
 - (b) Comparative studies of local government, particularly rural local government, with a view to improving local government theory and to developing practical guides for strengthening local government (Paras. 155-156);
 - (c) Continued comparative study of local government in different states in India (Para. 157);
 - (d) A study of orientation and training programmes for local government personnel and elected representatives and officials (Para. 158);
 - (e) A bibliography on development of local government in rural areas, including areas in which tribal governments exist. (Para. 154).

APPENDIX I

PARTICIPANTS IN THE UNITED NATIONS WORKSHOP ON PUBLIC ADMINISTRATION PROBLEMS INVOLVED IN COMMUNITY DEVELOPMENT FROGRAMMES

Held at The Hague, 12-23 January 1959

Jose V. Abueva, Assistant Professor and Acting Chief of Research, Institute of Public Administration; and Member, Community Development Research Council; University of the Philippines, Manila.

Zahir Ahmed, Assistant Director, Bureau of Social Affairs, Department of Economic and Social Affairs, United Nations, New York.

Richard Attygalle, Chief, Cut-of-School Education Division, UNESCO, Paris.

J.A. Bakker, Head of the International Relations Department of the Ministry of Social Works, The Hague. a/

S.B. Bapat, Director, Public Administration Division, Technical Assistance Administration, United Nations, New York. (Co-Chairman of the Workshop).

Hashim A. Barakat, Director-General of Social Affairs, Ministry of Social Affairs, Baghdad, Iraq.

Andre Bertrand, Deputy-Director, Department of Social Sciences, UNESCO, Paris.

H.A. Brasz, Representative of the International Union of Local Authorities, The Hague. b/

Edmund N. Burke, General Manager, Jamaica Social Welfare Commission, Kingston, Jamaica.

Julio de la Fuente, Chief of the Technical Commission, National Indian Institute, Mexico, D.F.

- E. de Vries, Rector, Institute of Social Studies, The Hague. (Co-Chairman of the Workshop).
- P. du Sautoy, Director of Social Welfare and Community Development, Government of Ghana, Accra.

-69-

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a/ Designated by the Government of the Netherlands to serve as observer.

 $[\]underline{b}$ / Invited by the United Nations to participate in the discussions on local government.

- Jack D. Gray, Co-ordinator of Foreign Programmes, Texas Agricultural and Mechanical College System, College Station, Texas, U.S.A.
- D.G. Karve, Consultant for the Food and Agriculture Organization of the United Nations, Bombay, India.
- David T. Luscombe, International Labour Organization, Chief of the United Nations Andean Indian Mission in Ecuador, Riobamba, Ecuador.
- Henry Maddick, Lecturer in Public Administration, Faculty of Commerce and Social Science, The University of Birmingham, Birmingham, England.
- B. Mukerji, Joint-Secretary, Ministry of Community Development, Government of India, New Delhi, India.
- Emil J. Sady, Public Administration Division, Technical Assistance Administration, United Nations, New York. (Rapporteur of the Workshop).
- G.V.P. Samarasinghe, Director, Department of Rural Development and Cottage Industries, Colombo, Ceylon.
- Estella Warner, Public Health Consultant for the World Health Organization, Alburquerque, New Mexico, U.S.A.

APPENDIX II

PUBLIC ADMINISTRATION ASPECTS OF INDIA'S PROGRAMME OF COMMUNITY DEVELOPMENT a

Programme Objectives

- The community development programme of India is concerned with the rural sector of development and is an integral part of the Five-Year Plans which aim at the all-round development of the country in a planned democratic manner. same basic objectives and policies govern both. These, very broadly described, are economic development, social justice and democratic growth. The attempt is to obtain as good a balance between these three objectives as is possible and to inter-relate them in such a way that they support each other. To illustrate the point, in the economic sphere we are trying to increase production in agriculture and industries, but at the same time are paying adequate attention to proper distribution of land and ensuring to the tiller of the soil adequate return for his labour such as would meet the requirements of social justice; thus the importance attached to our land reform measures. For us the promotion of local self-government has greater significance than merely creating people's institutions for community development. The object is to give vitality to the whole democratic process and to provide to democracy a broader and firmer base. But there has to be a compromise between the democratic objective and the objective of economic development. The economic development has not to be at the cost of democratic values nor should the democratic growth be imperilled for lack of economic development or failure to promote social justice.
- 2. In our programme there is a balanced promotion of nationally determined objectives and local objectives. Rapid increase in food production is a national objective which today has to enjoy the highest priority. Emphasis, therefore, is being laid on this aspect of the programme objective. But the social and welfare content of the programme and its multi-purpose nature are being retained.
- 3. The ultimate objective of the programme, as it must be of any programme of community development, is human development of the individual and of the community-through the promotion of self-reliance, change in attitude, community solidarity and co-operative action. The main problems of development of the rural areas arise from the following factors: low level of production largely due to employment of primitive techniques; lack of resources to invest on development of the rural areas and low rate of capital formation; under-employment; limited capacity of the rural pecple to take advantage of science and technology; and a disintegrating community.
- 4. These factors, it can be easily seen, are inter-related. We regard the community development approach as the best for tackling a situation governed by the above factors.

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a/ Paper by B. Mukerji presented at the United Nations Workshop.

Contents of Programme

5. The programme is a multi-purpose co-ordinated programme intended to meet all the major needs of the rural people. It consists of activities in the fields of agriculture and animal husbandry, irrigation, co-operation, village industries, health and sanitation, education, social education, village communications, rural arts and crafts and rural housing.

Methods

- 6. The method employed is extension education and community organization. The National Extension Service is being developed as a special agency for implementing the programme of community development through extension education-cum-community organization methods. Special arrangements have been made for training the personnel of this organization and care is taken to select the right kind of persons with the rural background and attitude of service to the rural people. But due to the very rapid expansion of the programme, it has been difficult in actual practice to maintain a high standard of personnel.
- There is now increasing emphasis on the building up of people's institutions and organizations at the willage level through which the programme should be worked more and more. The principal institutions at the village level are to be the panchayat, the co-operative and the village school. The panchayat is to function as the civic and developmental authority, the co-operative in the economic sphere, and the village school in the intellectual and cultural spheres. Other associate organizations are to be developed, such as women's and youth organizations, farmers' associations, artisans' associations, etc. to work for the progress of the community in their respective functional spheres. These will be linked up with the panchayat organizationally so that they can help the panchayat in its developmental work and be supported by the panchayat in their own work. The panchayat is to be a democratic body elected by the entire adult population of the village. It will be a statutory body. The National Development Council has recently taken an important policy decision to the effect that panchayats and co-operatives should have a small population coverage so that they can promote best the sense of belonging to the community, co-operative action and community solidarity. Generally speaking, there should be one panchayat to one village and the area of operation of the village co-operative society should be the same as of the panchayat. The panchayat will work through a number of functional committees each dealing with one subject or a group of subjects, such as a committee for agriculture and animal husbandry, one for public health and rural sanitation, another for education and social education, etc. These committees will co-opt leading members of the other associate organizations in the village mentioned earlier. By this method it is intended that a larger number of knowledgeable and willing persons in the village should actively work for the development plans of the village. Government funds for assisting the activities of these associate organizations will be routed to them through the panchayat. The idea has to be promoted that the panchayat is a village government which assists in the development of these associate organizations and they in their turn should assist the panchayat in carrying out some of its responsibilities. village school is to be developed also as the community centre and is to undertake extension work in the cultural, recreational and other allied fields. In this pattern of development of people's organizations and institutions both the objectives of strengthening democracy and achieving development through securing

-72-

the fullest participation of the people have equal importance and the strengthening of the community organizations is not affected by the attempt to achieve nationally determined goals.

- 8. It cannot be claimed at present that the National Extension Service is working wholly as an extension agency. For administrative and other reasons it still has some executive responsibilities to discharge and stands on the border line between an agency directing change and an agency assisting change to take place.
- 9. The block is a new territorial unit being created for purposes of the community development programme. These territorial units are being fitted into existing administrative units and do not cut across the latter's boundaries. The intention is to make the block the primary area unit for planning and development and to make the community development organization of the block the common agency for all development departments, to be used by them for purposes both of planning and of execution. It is also intended that the block should be fitted into the pattern of local self-government that exists or will be developed in the country. Many states have accepted and are carrying out the recommendation of the team appointed by the Committee on Plan Projects that a statutory local self-governing authority should be created at the block level. Other states have decided to create the local self-governing authority above the village level at the district level recognizing, however, that the block would continue to remain the area unit for planning and development.
- 10. The resources for national development are being provided through the schematic budget of the development blocks, through schemes in the Five-Year Plans of the different development departments, and through grants-in-aid given to the local authorities and to the non-governmental associations. The schematic budget of the block is treated only as nucleus of funds for financing the programme of the block. The intention is that the resources of the development departments, given to them through the Five-Year Plans, should also be allocated by blocks. All the funds thus pooled at the block level would then be properly utilized for a co-ordinated programme of development of the block. Some progress has been made in the achievement of this objective but a great deal yet remains to be done. Administratively this has proved to be a difficult task.
- ll. The training schemes are financed partly by the Ministry of Community Development and partly by functional ministries in the centre in collaboration with the states. The cost of the staff at the block level is shared half and half by the national Government (Ministry of Community Development) and the state governments. All the loans in the schematic budget of the blocks are provided by the national Government to the state governments for utilization in the blocks. The non-recurring part of the provision in the schematic budget is shared in the ratio of 75:25 between the national Government and the state governments.

Scope

12. The Indian programme is country-wide in scope. It has been extended so far to about 290,000 villages out of a total of 850,000 in the country. The total number of blocks already formed is 2,383 as against 5,000 required to cover the whole country. It is proposed to cover the whole country by the year 1963. The average size of a block is about 250 square miles, with a population of about 60,000 to

-73-

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70,000 and 100 villages. The block is fitted into the existing administrative jurisdictions, such as the taluk, the sub-division and the district. The jurisdiction of new local governments when established will be co-terminous with the administrative jurisdictions so that there can be proper collaboration between the local authorities and the government departments in the field of development.

Organization

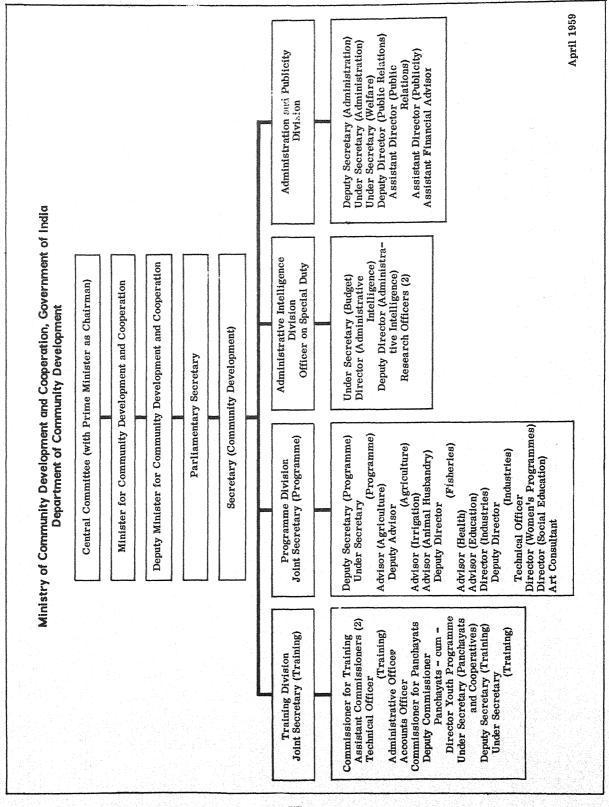
- 13. The National Extension Service is being created for purposes of the community development programme. The staff at the block level consists of a block development officer, eight extension officers - one each for agriculture, animal husbandry, co-operation, panchayats, rural industries, rural engineering, social education and programmes for women and children. At the village level there are ten village level workers (Gram Sevaks) and two women village level workers (Gram Sevikas). There is a medical officer for the primary health centre with supporting auxiliary medical personnel. Each block has a primary health centre. The country is undergoing a radical change in its character and method of working to meet the requirements of the Welfare State which we are attempting to build. Community development is coming to be recognized more as a method and an ideology for promoting the development of the rural areas of the country on democratic lines and with the active participation of the people. The National Extension Service is the agency for undertaking the development of the country according to the community development ideology. In the limited sense, however, the National Extension Service refers only to the block organization described above. But in the wider sense the entire administrative machinery of the country, in undergoing the change to meet the requirements of a Welfare State, is beginning to function as an extension service. In that sense, therefore, the technical and administrative officers functioning at the district, state and even the central level could be regarded as belonging to the National Extension Service. It is in this sense that it has been stated in the Second Five-Year Plan Report that the Community Development and National Extension Service are to become the permanent pattern of the Welfare State in action. All development ministries of the national Government and the development departments of the state governments are being infused with the community development ideology and are beginning to follow more and more the extension techniques in fields where their activities relate to promoting change in the rural communities and to helping them help themselves.
- 14. The block development officer is the co-ordinating officer and the captain of the team. The village level worker is a multi-purpose worker for all the fields of development with emphasis on agriculture. He is supported by the extension officers at the block level. These extension officers are borne on the cadres of their respective departments and are technically controlled and guided by the technical superiors of their own departments located at the district or intermediate levels. For administrative and operational purposes, however, they are controlled by the block development officer. In his turn the block development officer takes instructions from the technical superiors of his extension officers as well as from his own superior in his own administrative hierarchy. In most cases the immediate superior of the block development officer is the district collector but in some cases it is the sub-divisional officer or the prant officer who is the administrative head of a sub-division of a district a sub-division is bigger in area than a block.

-74-

- 15. The next level for planning and co-ordination is the district, where the collector of the district functions as the co-ordinating officer and the captain of the team. The team consists of technical officers of the respective development departments. The technical officers functioning at the district level have equal responsibility for development work in areas of the district covered by blocks and those not yet covered. In the latter areas the development work is according to the schemes of the Five-Year Plans. The technical departments have their subordinate staff of the same grade as the extension officers in the blocks to look after these areas, but generally their jurisdiction is larger than a block. Less intensive work of development is undertaken in areas not covered by the blocks than in areas so covered. The collector of the district functions as the co-ordinating officer even in respect of schemes of development undertaken in areas of his district outside the blocks and his relationship with the technical officers functioning at the district level in respect of the work in these areas is the same as in regard to work in the block areas.
- 16. Above the district the control and co-ordination is exercised at the divisional level (a division consists of a number of districts), where the divisional commissioner is the co-ordinating officer. In some states, however, this arrangement does not obtain. At the state level the development commissioner plays the role of the co-ordinating officer and his team consists of the heads of the various development departments. The development commissioner is the most important new functionary that has been created for purposes of the community development programme. He is in all cases a very senior officer of considerable experience and maturity and in almost all cases is also the secretary of the state planning department. In some cases the chief secretary of the state is also the development commissioner and has been given adequate assistance either of an additional or a joint development commissioner for this work. The development commissioner functions as the chairman of the departmental committee of officers and acts as the secretary of the committee of officials and non-officials and of the development committee of the cabinet.
- 17. There is also a chain of non-official advisory committees for planning and co-ordination to reflect the non-official point of view and to help in promoting people's participation in the programme. At the block level is the block development committee consisting of the members of Parliament and of the state legislature representing the area covered by the block, presidents of panchayats in the block, some officers of the block team, nominated representatives of co-operative and other similar organizations. This body considers the development plan of the block and reviews progress from time to time. The convention has almost been established that the advice of this committee should be accepted and acted upon unless there are strong reasons to the contrary. The name of this committee has recently been changed from block advisory committee to block development committee to give recognition to this convention. Some states have accepted the recommendation of the team appointed by the Committee on Plan Projects and are replacing the block development committee by a statutory local authority. Another line of development has been to have a non-official instead of an official as the chairman and/or vice-chairman of the block development committee.
- 18. At the district level there are district development or planning committees consisting of officials and non-officials having the same representative character as the block development committee. In some states there are two committees -

-75- /..

- (a) a departmental committee of officers presided over by the collector, and (b) a committee of officials and non-officials also presided over by the collector. At the state level in some states there are two and in some others three committees, a departmental committee of officers, a committee of officials and non-officials and a development committee of the cabinet. In addition there is a consultative committee of the state legislature for community development.
- 19. At the level of the national government there is a consultative committee of the Barliament which advises the Ministry of Community Development. There is a central committee of which the chairman is the Prime Minister and some members of the Planning Commission and some Cabinet Ministers are members. This committee is the co-ordinating committee as well as the policy-making committee for the community development programme. The Minister of Community Development is a member of this committee. The committee meets once a quarter when, in addition to discussing important questions of policy, it also reviews progress.
- 20. The organizational chart of the Ministry of Community Development which also indicates its size is presented below. This Ministry's main function has been to propagate the ideology of community development, influence the policies and plans of other ministries, where necessary, to make them consonant with the ideology and programme of community development, to regulate the programme for the starting of development blocks in the different states, to make budget allocations to the states for this purpose, to undertake some schemes for the training of extension personnel and to promote the administrative changes necessary for purposes of proper implementation of this programme. It is also the responsibility of the Ministry to focus attention on the importance of rural development and the problems of the rural areas, on the importance of strengthening of the technical departments and their research programmes in the different fields of rural development. One of the most important functions of the Ministry is to promote the growth of people's institutions, such as the panchayats, the co-operatives, youth organizations, wcmen's organizations, etc. In recognition of the close relationship between the development of panchayats and co-operatives on the one hand and community development on the other, these two subjects, namely panchayats and co-operation, have been brought in the Ministry of Community Development and the Ministry is now called the Ministry of Community Development and Co-operation. This emphasizes the fact that promotion of co-operation and local self-government at the village level are an integral part of community development.
- 21. The National Development Council having the Prime Minister as chairman and the Chief Ministers of the States as members is the highest planning authority of the country. It deals with major questions of policy relating to the community development programme since this programme forms an integral part of the Five-Year Plans.
- 22. As stated earlier, in the community development programme there is equal place given to nationally settled goals and locally determined goals and the planning process also works by combining planning from above and planning from below. The planning bodies described above serve as both planning and co-ordinating bodies and therefore the question of relationship between the community development organization and the planning bodies does not arise. The community development organization is an integral part of the whole administration which is being transformed for purposes of and geared to the task of an overall planned development of the country.



COMMUNITY DEVELOPMENT PROGRAMME State Organization

State Development Committee (with Chief Minister as Chairman) :	Development Commissioner 1/: : : Collector or Divisional Officer	Sub-Divisional Officer: : : Block Development Officer	Extension Officers for (i) Agriculture, (ii) Animal Husbandry, (iii) Co-operation, (iv) Rural Industries, (v) Enchayats, (vi) Overseer, (vii) SEO 2/ (man), (viii) SEO, (woman); and a medical officer.	Gram Sevaks 3/ (10 for a Block)/Gram Sevikas The Development Commissioners of Andhra Pradesh, Madras, Orissa, Mysore and Kerala are also Chief Secretaries of their respective states. Social Education Officer. Multi-purpose village level workers.
	•	•		1/ The De Madras Secret 2/ Social 3/ Multi-
<pre>Informal Consultative Committee (of State Legislators and M P's represented on Central Informal Consultative Committee) : : :</pre>	District Planning Committee or Zila Parishad	: : : : Block Development Committee or Block Samiti		Panchayat or Gaon Sabha : : :Gram Sahayaks (People's Associates)

- 23. No separate department or organization has been created for the community development programme. What has been done is to form a separate unit for planning and development called the block, to give it a unified self-contained organization consisting of the block development officer (BDC) and others stated earlier, establish their position as the common agency for all development departments and get for them full support of all the technical departments. The technical departments, therefore, remain fully responsible for the programme in their respective spheres of activity and for discharging this responsibility they have been given due say both in the planning of the programme and in the direction of the agency at the block level.
- 24. A decision of major importance that has been taken recently is the removal of the distinction between the National Extension Service (NES) block and the Community Development (CD) block. Previously the blocks were started as blocks of less intensive development and were given the name NES blocks. After some time they were converted into community development blocks with more staff and resources given at that stage to intensify the development work. The removal of this distinction has given recognition to the fact that the programme of rural development has to be a long-term programme and that the emphasis has to be on the achievement of its higher objectives rather than on the outlay of certain amounts of funds and the achievement of certain physical targets. The National Extension Service and the Community Development Programme are being regarded as the permanent pattern of the Welfare State.

Training

- 25. Great importance is attached to the training of all personnel who have any responsibility for the implementation of the community development programme. A comprehensive programme of training has been taken up which takes care of the training of the following classes of personnel:
 - (a) The block development officer three months' training, part of it is "orientation" and part of it "job" training.
 - (b) The extension officer, animal husbandry, agriculture, co-operation, rural industries, rural engineering, medical officer, and social education organizer orientation training for six weeks.
 - (c) The social education organizer "job" training of five months in addition to the orientation training six weeks.
 - (d) The extension officer for women and children training for ten and a half months.
 - (e) The village level worker training for two years with an integrated programme covering agriculture intensively and orientation in other subjects.
 - (f) Gramsevikas (women village level workers) training for ten and a half months.
 - (g) The extension officer, co-wperation training for ten months.

-79- /•

- (h) The extension officer (village industries) training for twelve months, four months in small scale industries and eight months in village industries.
- 26. All the technical officers, such as extension officer, agriculture, animal husbandry, medical officer, etc. have their requisite technical qualifications in their own subject.
- 27. It will be seen that adequate provision has now been made for training in "orientation" and training in specific jobs for all classes of personnel. Arrangements for giving refresher training to all classes of personnel are also under contemplation. For the training of higher executives, both generalists and specialists, an Institute has been started. These courses are attended by development commissioners, joint and deputy development commissioners, district collectors, heads of technical departments and the like.
- 28. The system of holding seminars of officers working at different levels, both general purpose seminars and subject matter seminars, has been extensively used for the education of the staff and for developing in them the capacity to think out problems and to work in co-ordination with one another. An annual conference of development commissioners for stock-taking and for dealing with the main problems of the programme and laying down policy and lines of work for the coming year has been an important feature of our programme right from the beginning. Since the last conference which was held in May 1958, this conference has assumed the character of a national conference on community development in which not only development commissioners and officers of their organization but representatives of central ministries and heads of development departments of the states and many others working in the field of community development participate. This change has been made in recognition of the fact that the community development programme is a programme of the entire administration and not of any special agency or department.

Training of Non-Officials

29. Increasing attention is now being given to the training of non-official leadership; in particular to the training of the members of the block development committee, the presidents and members of the panchayats and of the managing committees of the co-operatives, to the training of secretaries of panchayats and of co-operative societies and to the training of village leaders in functional fields, such as agriculture, co-operation, education, public health, and village industries. Orientation camps for members of Parliament and state legislatures will also be organized as part of the scheme for training non-official leadership to make it serve more effectively the cause of community development.

Village Level Worker

30. The village level worker is, as mentioned earlier, a multi-purpose worker. His basis training is in agriculture as his main work has to be in that field. He is an extension worker and a community development worker. He demonstrates the improved techniques which he wants the farmers to adopt. He assists them in securing supplies, obtaining credit and the advice and guidance of higher technicians at the block level. He stimulates the villagers for action in the co-operative field and in the field of community work. He renders first-aid assistance in such fields as veterinary aid and simple human ailments. He does educational work in the field

-80-

of public health, social education, etc. Although he has the support of the technical officers at the block level his burden is very heavy and he is unable to do full justice to his charge, with his jurisdiction extending over ten villages. There is also sometimes the problem of his technical competence not At present, however, measuring up adequately with the needs of the rural people. we have no intention either of increasing the number of village level workers or of converting them into village technicians for any particular field. Their training is being improved. Starting originally with a training of six months, we have now decided to give them training of two years. We expect that their task will be eased to some extent when village institutions, particularly the panchayat the co-operative and the village school develop their roles fully in the manner described earlier. The other way in which the problem of inadequacy of village level workers is being met is, first, by drawing upon the services of as many voluntary agencies as can help the development programme. Second, by training a large number of village leaders, or potential leaders in subject matter fields, such as agriculture, animal husbandry, village industries, co-operation, who could supplement the extension work of the village level worker. One year's experience in this direction has been most encouraging. Third, a programme for training of panchayat members, training of secretaries of panchayats and co-operatives and training of members of the block development committees is being taken up to make them more effective as local leaders and therefore of greater assistance to the village level worker.

Ad Hoc Bodies

31. The idea of creating ad hoc bodies either at the village or the block level has now been abandoned by us. The experiment with ad hoc village councils was not successful. Instead the statutory village panchayat is being developed as stated earlier. At the block level the development is in the direction of converting the advisory development committee ultimately into a statutory local authority.

Tribal Areas

32. No distinctive arrangements have so far been made for tribal areas or other special areas, but effort is made to make the programme suit, as far as possible, the special requirements of these areas. A few pilot projects have been started in the tribal areas where a concerted effort is being made to make the programme suit the special needs of the tribal people. Large budgetary provisions are being made for these projects and there is some difference in the staffing pattern from what obtains in a regular block.

Local Government

33. In the scheme for the development of local self-government and integrating it with the administrative pattern that has been evolved for the community development programme, some states are considering the creation of the next level of local self-governing authority above the panchayat at the district level which will be called the <u>zilla parishad</u> (district council). Other states are proposing to create three tiers of local self-government, the panchayat at the village level, the block samiti (block council) at the block level and the

-81-

zilla parishad at the district level. The Indian programme has passed through the phase of attempting to stimulate community development efforts through ad hoc development bodies which met with little success. The present effort is to create or strengthen local governments simultaneously with stimulating community self-help activities. The promotion of local self-government has greater significance than merely an attempt to create people's institutions for community development. The object is to give vitality to the whole democratic process and to provide to the new democracy in this country a broader and firmer base. Of the three bodies for local self-government which are being developed, namely, the panchayat at the village level, the block samiti at the block level and the zilla parishad at the district level, the panchayat is regarded as the most important for purposes of community development. They are to be viewed as representative bodies of the people functioning as small units of local self-government and not merely as an agency of the government. The intention is that the panchayat should undertake full responsibility for promoting the all round development of the village community and the area consistent, of course, with its resources, existing and potential. It will have administrative, judicial, and developmental functions, but in the initial period emphasis will be laid on the developmental functions and not so much on their administrative and judicial functions. Although there will be an organic link between the three tiers of local self-government, the maximum possible autonomy in the functioning of the panchayat would be aimed at so that the development of initiative and sense of responsibility in the rural community is not impeded in any way. The emphasis will be on establishing a partnership and collaboration between the central Government, the state government and the different tiers of local authority so that they can share between them the total burden of the development of the country.

Evaluation

34. We have an evaluation organization called the Programme Evaluation Organization attached to the Planning Commission and completely external to the agency responsible for programme administration. This arrangement was deliberately made to ensure that the evaluation will be completely objective. The Evaluation Organization has a board at the headquarters with a chairman, a director, deputy directors and other subordinate staff. It has field staff in selected blocks. The number hitherto has been twenty-six which has now been increased to forty-five. This field staff makes a continuous evaluation of the programme in the block where it is posted and in one or two other blocks. On the basis of this sample evaluation the Programme Evaluation Organization produces an annual report. In this report all the aspects, such as problems of administration, the programme in its different fields, the development of people's institutions and organizations and the economic, social and democratic aspects of the programme are dealt with. In addition to the annual report, the Organization has produced special reports on such subjects as panchayats, co-operatives, the functioning of the village level worker, etc. The staff is drawn from among specialists in the economic, sociological and allied fields and is given special orientation. The Organization keeps in close touch with the Ministry of Community Development and Co-operation and the field agencies but without compromising in any way its independence and objectivity. The Organization is not a statutory body. Funds for it are provided by the national Government.

-82-

APPENDIX III

RURAL DEVELOPMENT IN CEYLON2

Nature of Programme

- 1. The rural development movement in Ceylon was inaugurated as a special project in 1948. Its main objectives are as follows:
 - (a) harnessing the enthusiasm and efforts of rural people in the task of rural development through village organizations established by them,
 - (b) bringing into closer contact and co-operation these societies and the various extension officers of Government working in an area,
 - (c) effecting closer co-ordination between the various Government departments in rendering their services at the village level in order to avoid overlapping and duplication of work.
- 2. These objectives have to be studied against the administrative background existing in Ceylon at the time. Though originally administration was centralized through officers in charge of districts, termed "government agents", as early as 1932 decentralization of administration began to take place and specialist departments such as Health, Agriculture, Police, Co-operatives, Cottage Industries, etc. developed field organizations in direct touch with the rural population; yet the whole of the administration was even then co-ordinated within the administrative plans of Government. The main difficulty encountered was the lack of personal contact between the Government officer and the people whom he was expected to serve and the lack of a co-ordinated organization in the village areas with which such an officer could work and whose efforts could be utilized for more productive purposes.
- 3. The manner of approach with the establishment of the Department of Rural Development in 1948 was to organize rural populations into at least a superficially cohesive structure. For this purpose rural development societies were organized. These were formed on democratic lines giving the members the power to elect office bearers and committees to manage the activities of the society. Special officers called rural development officers were appointed by the Department to assist in the formation of such societies. These societies were, thereafter, formally recognized by the Government and were approved as a means through which development work could be done. The suggested areas of work of these societies were:
 - (a) the economic aspect in regard to the development of agriculture, cottage industries, trade, co-operation, employment, savings and solving the problems of landlessness;

a/ Paper by G.V.P. Samavasinghe presented at the United Nations Workshop.

- (b) the health aspect in regard to personal cleanliness, environmental sanitation, home garden cultivation, maternity and child care, milk feeding schemes, prevention of communicable diseases through health education, etc., and
- (c) the cultural aspects in regard to religious and educational activities, fostering of indigenous crafts, prevention of crime and the amicable settlement of village disputes.
- 4. The manner of work then is that the Department of Rural Development is directly responsible for the organization of village communities and for the establishment of liaison through which these village communities can be energized to do development work in the areas in which societies have been established. The functions of the liaison officer, i.e. the rural development officer, are to see that these organizations are kept interested and alive, that there is no attempt within the organization for vested groups to take control and for ensuring that the services of extension officers in the field are available to the village societies.

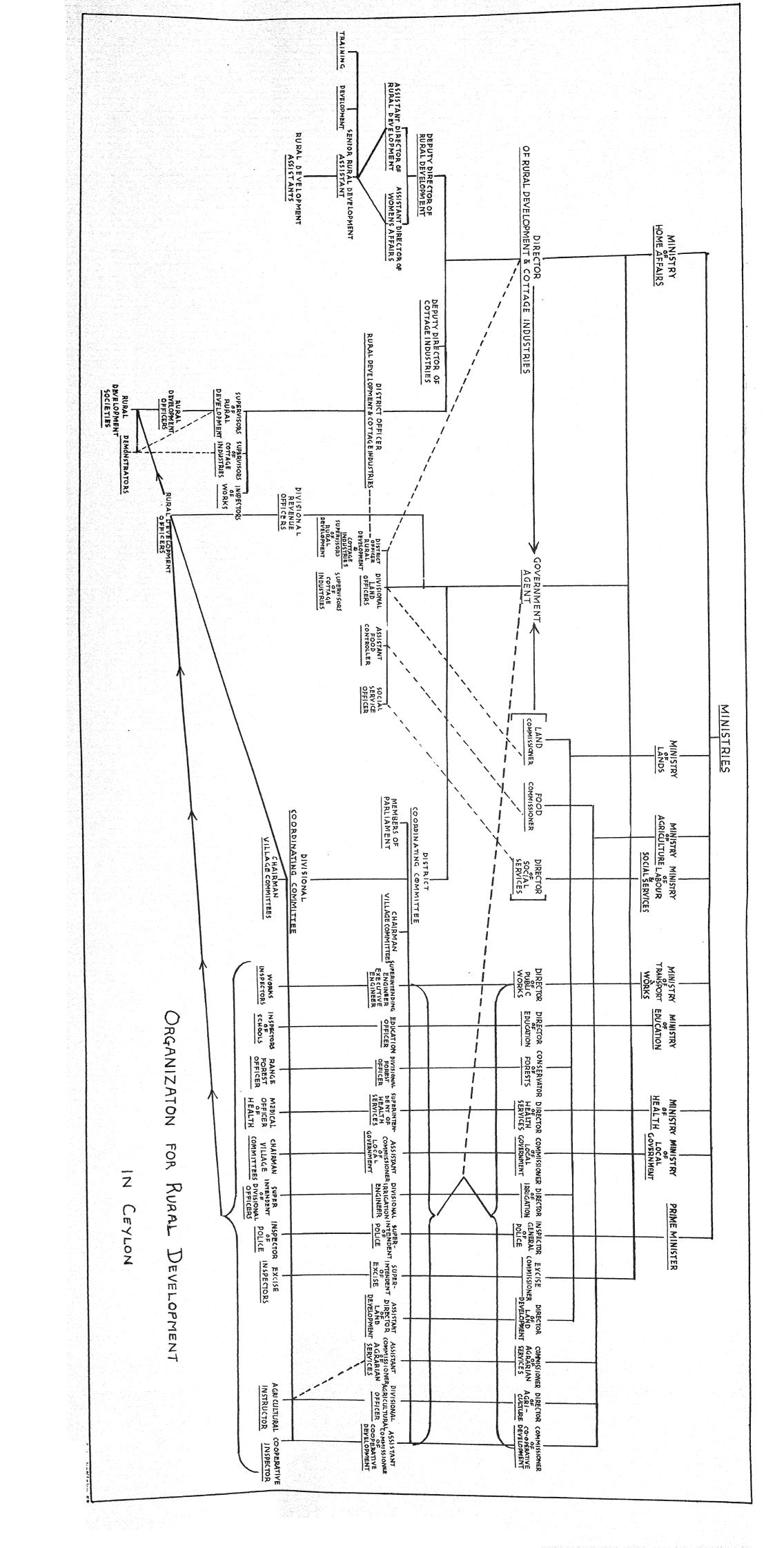
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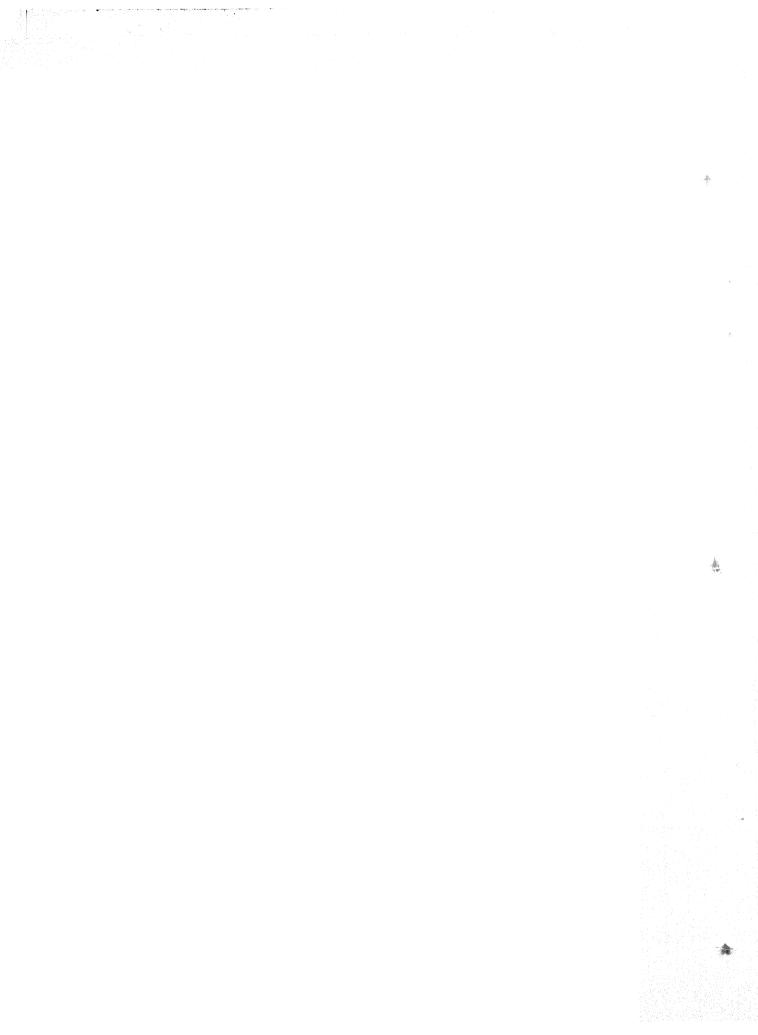
- 5. The rural development movement covers the whole Island. The original planning was that a rural development society should be established for the smallest administrative unit in the Island termed a village headman's division. There are 4,000 such divisions in the country, but due to geographical and other reasons, such as large groups of populations within a village headman's division, lack of community interest between groups, etc. in certain areas, more than one society is permitted to be formed within a village headman's division. At present there are 6,810 rural development societies. The basic scope of the rural development organization was originally restricted to rural areas alone which were defined as those areas outside the administrative areas of municipal councils, urban councils and town councils. Thereafter, however, authority was given for the establishment of rural development societies in such areas of a municipality, an urban council or a town council which had a rural character, but no direct assistance financially from rural development votes could be given such societies. Any assistance they required should come from the local government institutions enumerated above. In fact, therefore, of the local government areas in Cevlon the active operations of the rural development movement are confined to the areas covered by the village committees alone though, as stated earlier, there is no prohibition against rural development officers organizing urban communities.
- 6. The administrative structure is correlated to the administrative districts of which there are twenty-one, and the sub-administrative divisions of which there are 110. There is representation from the Department of Rural Development in both the centre of the administrative district and the headquarters of the administrative sub-division. Local government areas coincide with administrative districts and with administrative sub-divisions though, of course, there can be more than one local authority in each administrative division or sub-division.

Organization

7. Presented below is an organizational chart indicating the place of the Department of Rural Development and Cottage Industries in the structure of the







Government. It also shows the various district and divisional co-ordinating bodies and the relationship to technical services both at the centre and in the field. Details of the internal organization of community agencies are also indicated in the chart. The basic administrative structure in Ceylon is that there are fifteen ministries. Each of these ministries has a series of functions which are performed by departments under its control. Some of the departments are departments centralized entirely in Colombo such as Commerce and Trade, etc. Other departments have field ramifications. The pivot of administration historically was the government agent who works under the Minister of Home Affairs. Originally a government agent was in charge of all functions including police, health, etc. in the field. With the necessity for specialization some functions were removed from the government agent's direct control and the departments carrying out such work have field organizations directly responsible to head offices in Colombo. The administrative areas covered by such field organizations are generally within the district though certain departments like the Public Works Department, Irrigation Department and the Co-operative Department have their own areas of administration. In respect of other departments, the government agent acts as an "agent" of the head office in Colombo. Even in such cases the specialized staff necessary for the work is provided to the government agent by the departments concerned. The divisional revenue officer's division is a sub-division of a district and the divisional revenue officer (DRO) is under the control of the government agent. Here too, regarding work, a similar situation takes place as at the district level.

- 8. Co-ordination of work is organized by the establishment of co-ordinating committees at the level of the divisional revenue officer and at the level of the district (government agent). This, however, was a recent move, and is not more than four years old. Originally, when the rural development movement was organized in 1948, consultative committees were set up at the level of the divisional revenue officer and at the level of the government agent. The divisional consultative committee comprised the chairmen of village committees, representatives of rural development societies and government officers working in the area. The divisional revenue officer was the chairman. The district consultative committee was under the chairmanship of the government agent and comprised local heads of government departments as well as unofficials selected for their specialized knowledge or experience of rural development work. In 1954, the functions of these two committees were incorporated in the divisional co-ordinating committee and the district co-ordinating committee.
- 9. The membership and functions of the district co-ordinating committee are as follows:
 - (a) the government agent of an administrative district functions as co-ordinating officer in all governmental activities spensored by all Ministries in his district. There is for each administrative district a co-ordinating committee called the district co-ordinating committee, consisting of:
 - (i) representatives of departments functioning in the district, exclusive of the judiciary, nominated by the government agent in consultation with the heads of departments concerned;
 - (ii) divisional revenue officers;

(iii) not more than two chairmen of village committees in the district, nominated by the government agent, in consultation with the Commissioner of Local Government. They serve for a specified period of time.

Members of parliament of the administrative district and senators resident in rural areas of the administrative district are invited to be members of the committee. The government agent serves as the chairman of the committee. This committee meets at least once a quarter.

- (b) the functions of the committee are to co-ordinate governmental activities in the administrative district and to facilitate the carrying out of the Government's programme in the district. For this purpose it:
 - (i) meets as early as possible in October of each financial year and considers the programme of work according to the financial provision made in the estimates; each departmental representative explains the programme of work envisaged, how he expects to carry it out and what assistance he requires from other departments;
 - (ii) formulates proposals representing a co-ordinated programme for the development of the administrative district in the next succeeding financial year;
 - (iii) transmits such proposals as affect the subjects and functions assigned to ministries (other than the Ministry of Home Affairs) through the representatives of the departments of the ministries concerned to their respective headquarters;
 - (iv) endeavours to eliminate delays and difficulties in the execution of the programme of the departments; and
 - (v) reviews from time to time the progress of government activities in the administrative district.
- 10. The composition and functions of the divisional co-ordinating committee are as follows:
 - (a) the government agent of every administrative district causes to be established in each DRO's division a co-ordinating committee, to be called the divisional co-ordinating committee, consisting of:
 - (i) the divisional revenue officer of the division as its chairman;
 - (ii) representatives of the various departments functioning in the division, exclusive of the judiciary, nominated by the representatives of departments on the co-ordinating committee of the administrative district;
 - (iii) chairmen of village committees;
 - (iv) not more than four representatives of the local rural development societies who serve for a specified period of time;

- (b) the functions of the divisional co-ordinating committee are similar to those of the co-ordinating committee of the administrative district, save that its activities and the area of operation are confined to the division and its proposals are transmitted to the government agent of the administrative district for consideration by the district co-ordinating committee:
- (c) the divisional co-ordinating committees meet at least once in three months.

Village Workers

- ll. In the structure of government administration in Ceylon, the lowest administrative unit is in charge of a village headman. The village headman is a salaried officer appointed by the Government. He is the officer to whom most of the government departments go for information and services in connexion with rural areas. The village headman, however, is not a multi-purpose worker in the sense that he is responsible in any way for development. The origin of the headman was that he was a revenue collecting officer; he is now used for such functions as food control, census work, police work, revenue collection, etc. The nature of his duties, however, and the format of his appointment give him a leadership position in the village and he has a certain influence. Programmes for development, however, are not routed through him. The lowest level officer for development work is the rural development officer, although specialized departments have special service officers like supervisors of land development and food productions officers.
- 12. The functional form of rural development in Ceylon has been to make the community through the rural development society largely responsible for development works and to make the services of the specialist officers of various field departments available to the community through the rural development society. Financing of schemes is done by the specialized departments. The Rural Development Department, however, has its own funds which cut across the functions of the other field departments if the rural development society is prepared to do work on a self-help basis. For example, the responsibility for building schools is that of the Education Department but a school can be built from rural development funds with the concurrence of the Education Department on self-help principles. Generally, assistance is given on these principles up to a maximum of 50 per cent of the estimated value of the work.
- 13. A new departure has been the concessions obtained for rural development societies to do contract work. There is a certain difficulty in rationalizing the self-help principle with the contract principle but while the contract principle is based on an over-all plan for development, the self-help principle enables a village to get ahead of over-all planning by offering to do any work on a self-help basis. For example, if the establishment of a particular school building is ninetieth on the priority list of the Education Department and on contract principle would have had to wait its turn after the eighty-ninth had been completed, it is yet possible for a rural development society to step up on the priority list by doing the work with the concurrence of the Education Department from the Rural Development Votes on self-help principles. This has provided a very large incentive for societies to undertake works and to move progressively towards their own development.

14. The question of more backward areas which may not be able to contribute on the self-help principles has been considered and taken into account in the formulation of the scheme. Generally, national planning programmes of development would give a high priority in its own plans to such an under-developed area. This has been duplicated in the rural development assistance programmes and in respect of such areas there is authority to give assistance up to 75 per cent of the value of the work where the estimate of self-help capacities is low. Generally, however, programming is in terms of the plans of the specialized departments concerned.

Ad Hoc Bodies

15. All rural development societies are ad hoc bodies in the sense that they are not created under any law. They are, however, recognized by the Government. At the beginning of the scheme since the rural development societies were under provincial administration and not under local government, there was considerable resentment between the rural development societies and the local government institutions on the grounds that rural development societies were encroaching into functions connected with local government institutions. This has to a large degree died down due to two reasons:

first, leadership of rural development societies and of local government institutions became merged in the same people,

secondly, it was agreed that a rural development society whilst implementing a responsibility of a local government institution would not do so without the written approval of the local government institution. For example, if a road was being built in an area - and this is a local government function - the concurrence of the local government institution should be obtained before the road was constructed.

A further development was that in respect of all matters concerning local government, it was necessary to obtain the concurrence of the local government institutions that they would take it over and maintain it thereafter before any assistance or approval could be given to such a work.

Local Government

- 16. Historically local government was nothing new to Ceylon though its pattern was in terms of the pattern of administration in the country. The systems of local government in ancient Ceylon would appear to have been of a patriarchal type in which the affairs of every village were directed and controlled by its natural leaders whose decisions were accepted and abided by the community. It seems clear that through the village councils of ancient Ceylon matters of common interest were fully discussed by the village councils and the decisions of the majority were accepted and acted upon by the community without dissent. Today local government institutions in the Island cover every part of it except the area of the Gal Oya Board. There are 7 municipal councils, 36 urban councils, 38 town councils and 403 village committees functioning at present. The rural development movement is more specially in the areas covered by the village committees. The more important powers and functions of a village committee are as follows:
 - (a) the power to establish or maintain any public service which is required for the welfare, comfort or convenience of the public, subject to the extent

-90-

of the resources of the committee and subject to such prohibitions, or restrictions on the establishment or maintenance of any service, as may be imposed by any other law; and with the sanction of the Minister to rate the area benefited by this service. Under this provision, the village committees have established or maintained conservancy and scavenging services, public latrines, water services, electricity schemes, village markets, ayurvedic dispensaries, slum clearance and housing schemes, community centres, reading rooms, playgrounds, maternity and child welfare centres, etc.

- (b) the power to undertake the construction of such new village works as may be necessary and the alteration, improvement or maintenance of existing village works;
- (c) the power to establish ferries, collect tolls, and for the protection of ferries, to prohibit or restrict private ferries;
- (d) the power to spend out of the communal fund for the conduct of experiments in agriculture, and the branding of domestic animals, etc;
- (e) the power to apply any part of the communal fund for relieving public distress, due to famine, epidemic diseases, and any other such cases;
- (f) the power to levy rates and taxes;
- (g) the power to raise loans for development works;
- (h) the power to make, and enforce the by-laws, which a committee is empowered to make;
- (i) generally, the power to do all things necessary for the effective discharge of the duties of a village committee under this ordinance.
- 17. It will be seen that rural local authorities have many avenues along which those who are elected to serve on them can exercise an active interest. In the community development programmes, local government has an important function. These institutions have direct representation on the two co-ordinating committees and have a complete say in the development of matters within their control in their areas. This matter has been referred to earlier.

Tribal Areas

18. There are no tribal areas as such but there are certain groups which are termed "backward communities". These are mainly the aboriginal group called Veddahs and the socially under-privileged groups called Rodiyas and Kinnarayas. A special board called the Backward Communities Development Board was established under the Department of Rural Development for their rehabilitation. Funds were separately allocated for this purpose and the main problem was to divert these groups from a nomadic existence to a settled existence. Thereafter, this was followed by education, health, irrigation facilities, communications, cottage industries and community organizations. The two groups (a) Veddahs, and (b) Rodiyas and Kinnarayas, had to be treated separately. The first group, the Veddahs, though nomadic by nature had no social severities or complexes. With the

Rodiyas and the Kinnarayas, the problem, however, was more fundamentally social than economic. Into this work were brought in voluntary organizations, particularly schools, so that a fresher and a more lively approach could be given to settlement and development.

Evaluation

19. Yearly evaluation of work on identifiable matters is being done by the Department of Rural Development and Cottage Industries. A full evaluation of the movement was sought in 1956 and a team of experts composed of a sociologist and an economic statistician to make an evaluation of the rural development movement in Ceylon was obtained through the United States Government Exchange of Persons Programme. The reports have not been finalized yet. At the same time a special officer is being trained to co-ordinate evaluation work and when he returns after training a continuous evaluation process is proposed to be established.

-92**-** /.

APPENDIX IV

THE COMMUNITY DEVELOPMENT PROGRAMME OF GHANA

Nature of the Programme

- 1. Community development in Ghana (often known locally as "Mass Education") is the responsibility of the Department of Social Welfare and Community Development, at present under the Minister of Labour Co-operatives, and Social Welfare. It is planned that this Ministry will be abolished in a general reorganization and the Department attached to the Ministry of Health and Welfare from July 1959. Community Development in Ghana has, in principle, three main ingredients:
 - (a) it is based on felt needs;
 - (b) it is based on self-help; and
 - (c) it pays close attention to traditional and social customs.
- 2. In practice the Community Development section of the Department operates in four main fields:
 - (a) Adult literacy (129,000 certificates of literacy have been awarded between April 1952 and December 1957).
 - (b) Work among women on home economics lines (24,232 were in class at the end of 1957).
 - (c) Assistance to rural self-help construction projects (1,210 projects were completed during 1957).
 - (d) Extension work for other government departments, including campaigns in health and agriculture.
- 3. In all cases attention is paid to securing the active participation of the people and their leaders in the programme. A very important aspect of the programme is to identify and train local leadership, which is done in every project undertaken by the Department. It is the objective of the Ghana Government to improve the way of life of the people in the rural areas and the Department has an important function in this respect. It means, therefore, that the Department is in contact with nearly every aspect of Government relations with the rural areas of Ghana.
- 4. In considering the channelling of national development resources through the community development organization a clear distinction must be made between "development" and "community development" in its technical sense, which does not necessarily mean the same as the development of communities. For example, if the

a/ Paper by P. du Sautoy presented at the United Nations Workshop.

Government establishes and operates an electric lighting system in a village, without the active participation of the villagers, that is development but not community development. Accordingly, national development resources are channelled through the community development organization only if the principles of community development are still maintained. For example, if a building or road is to be built, funds for materials for construction will be channelled through community development if the people of the area agree to provide communal labour and assist in the construction.

- The community development department and the village level workers participate in extension campaigns (i.e. special promotional efforts) of technical departments. The campaigns are mounted one at a time (e.g. against cocoa pests and diseases) and are not allowed to interfere with the regular work of the Department. The concept of campaigns arose naturally from the posting of village level workers to do literacy, women's help and self-help construction work. These workers gained the confidence of the villagers and a thorough knowledge of the local community. Not only did the villagers turn to them for help in other directions but gradually other government agencies came to realize that such workers provided a valuable link with the villagers in the initial dissemination of new ideas and breaking down prejudice. Before a campaign is planned discussions take place centrally to ensure that the best technical advice is a available on the subject of the campaign, and that the technical department is ready and able to provide any "follow up" services required. Liaison officers for the campaign are usually nominated by the community development department and the technical department concerned.
- 6. In undertaking campaigns for other departments, the Department of Social Welfare and Community Development has adopted the following rules:
 - (a) The campaign must be of a continuing and educational type. Ordinary government publicity is the concern of the Departments of Information and Broadcasting.
 - (b) Campaigns will only be undertaken at the request of the specialist department concerned and if that department is prepared to provide the subsequent technical backstopping, which becomes necessary as a result of the campaign.
 - (c) The technical aspects of the special training for the campaign are taught to the village level workers by the specialist department.

All such campaigns are given a social base and are related to the thinking of the villager. In other words, they are directed towards making him consciously feel a need which exists in such a way that he adopts the idea as his own. The extent of the teaching by the village level worker is carefully defined as also is the point at which he shall hand over to the ordinary workers of the specialist department concerned once interest has been aroused. The village level workers may be regarded as the Government's "educational front-line troops", use being made of both their knowledge of the villagers and the confidence which the villagers develop in them over a period of time.

7. At present extra funds for special extension campaigns are provided by the specialist department which requests the campaign. In addition, funds for

materials for self-help construction projects are not provided by the Department. They have to be found by the people from other sources, e.g. local government. However, in the Ghana Government's Second Five Year General Development Plan starting in July 1959, consideration is being given to providing funds to the Department to pay for materials for self-help projects in order to supplement existing resources.

Scope of the Programme

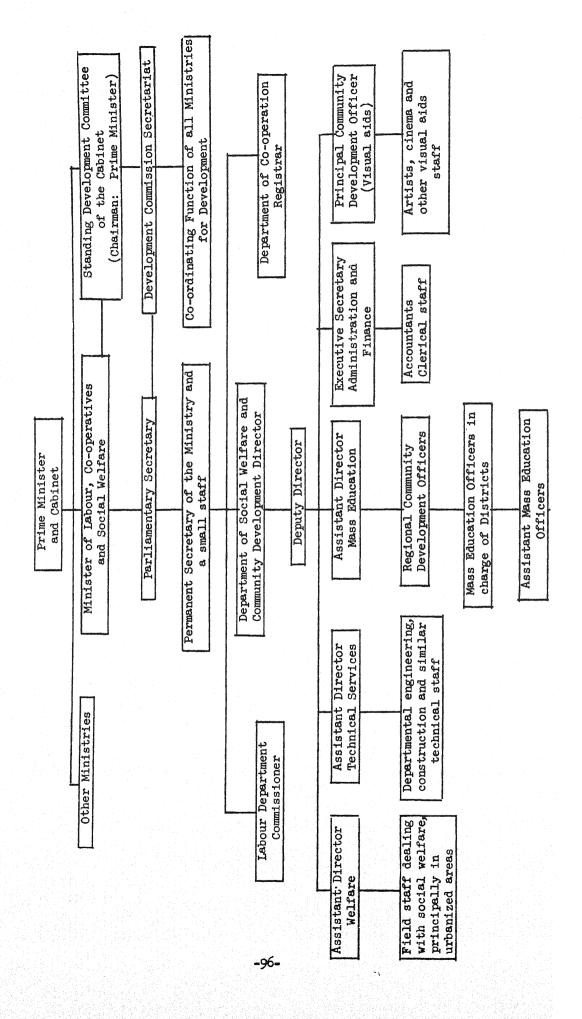
The Department has a total of 1,021 salaried staff of all kinds and 203 daily rated employees. In the financial year 1958/59 the Department's annually recurrent budget is £510,020. In addition, the Cocoa Marketing Board gives £117,730 per annum to maintain ten Technical Field Units to provide machines and technicians for self-help construction projects. The Units have fifty-six salaried staff and 282 daily rated employees. A total of sixteen persons are attached to the Department under various technical aid schemes. The Department now has an officer in charge of every region of the country with supporting staff and technical field units in every region. Community development regions coincide with administrative regions, and an attempt is made, when staff permits, to make staff areas and local government areas coincide for ease of co-ordination and co-operation. Of the total staff (which includes the urban welfare section of the Department) 410 are Mass Education Assistants ("generalist" village level workers). A Mass Education Assistant may have to work (using voluntary leaders wherever possible) in up to fifteen villages. Coverage is theoretically available in every region but is very thin in some areas, particularly in the north, where static staff are not available for large sections of the region. Mobile teams are often used to achieve wider coverage for specific purposes. It is planned, if funds are available, to increase coverage at village level during the period of the Ghana Government's Second Development Plan. The selection of areas for intensive work is based on need and also the enthusiasm of the people. The ultimate decision rests, of course, with the Minister. A feature of the Ghana approach has been to by-pass the apathetic community initially and work with the enthusiastic community, in order to demonstrate the effect of self-help effort. This often encourages the apathetic community to seek help or begin doing things on its own initiative.

Organization

- 9. Presented below is a chart showing the place of the community development organization in the central Government and the headquarters and field organization of the Department of Social Welfare and Community Development.
- 10. There is no special machinery for interdepartmental co-ordination of community development activities. The Director of Social Welfare and Community Development sits on a number of central permanent and ad hoc committees and statutory bodies dealing with matters likely to be of concern to the Department. But day to day interdepartmental co-ordination is carried out largely through informal contacts by the community development department with liaison officers who have been appointed by the technical departments either for general day to day contacts or for a specific joint campaign. In the regions the principal community development officer is in close consultation with the regional commissioner and other regional heads of departments on an informal basis. He also is an ex officio member of district council development committees, the only Government official to be so nominated.

-95-

ORGANIZATION OF THE DEPARTMENT OF SOCIAL WELFARE AND COMMUNITY DEVELOPMENT, GOVERNMENT OF GHANA



- 11. Funds for national development are channelled through the Development Commission and recurrent funds through the Ministry of Finance, in both cases to the Ministry of Labour, Co-operatives and Social Welfare which allocates them to the Department. Personnel are selected in accordance with the rules laid down by the establishment secretary of the Government and the Public Service Commission.
- The concept of the formal "district team" working under the senior administrative officer of the district has never been applied in Ghana. The appointment of political regional commissioners of Cabinet rank has meant a closer regional co-ordination of technical services but such services are still responsible to their own Minister. There is thus not a very formal structure to ensure co-operation with other services and with local government, but since such co-operation is basic to community development there is very considerable liaison at all levels on an informal ad hoc basis. The village level worker brings the needs of his area to the attention of other technical services in a tactful manner through normal Government channels. No extension campaigns are carried out unless specifically requested by another service and no self-help construction project is embarked upon until it has been "processed" to ensure that all concerned with the project and its future recurrent maintenance are in agreement. In regard to extension, the role of the Department is confined to the initial mass teaching to arouse interest and conviction in a new idea before the "technical backstopper" from another service takes over. Since the heads of administrative districts in Ghana now concentrate more on local government matters rather than co-ordination of central Government activity, there is less need for such close liaison with them than in the past.
- 13. Community development started in Ghana in 1948 with a mobile team approach using staff from other services. Thereafter special community development staff were trained and coverage by resident staff in charge of areas was built up. The mobile approach was later re-introduced to provide additional impact and wider coverage in order to supplement the static staff. A combination of the two approaches is regarded as desirable for the regular rhythm of the work. The trend of the service over the last few years has been to build up and consolidate a departmental cadre of trained multipurpose staff on a country wide basis. A full description of the history of Community development in Ghana will be found in the book Community Development in Ghana, by Peter du Sautoy, London, Oxford University Press, 1958.

Village Workers

14. The structure of community development in Ghana is based on the use of paid village level workers (mass education assistants) who are in close contact with the villagers in their area. Their task is to stimulate enthusiasm among village voluntary leaders and to co-ordinate and supervise their efforts. These workers are given in-service training and are "generalists". They are responsible for literacy projects, and (after special training in each case) for extension campaigns. Female mass education assistants look after the women's work and also literacy teaching work (about 3,000 in 1957). They receive a special certificate and badge at the end of the year's campaign. Women's classes in some areas have now reached a stage where they may be handed over to Voluntary leaders. As a matter of course every construction project has its village leaders to organize the communal labour. As a general rule, leaders are selected from the persons of influence in every village; they may differ according to the work being done. Accordingly statistics

are not kept of leaders other than for literacy. Special badges and certificates are given for outstanding voluntary leadership and leaders are rewarded by the publicity and the prestige involved. Naturally, in principle, no programme is ever undertaken unless adequate technical personnel for follow-up is assured in advance.

Ad Hoc Bodies

15. Experiments are being undertaken with village community development committees and with forming them into community development associations in some areas. Undue formalism is avoided since the villagers are normally, in any case, accustomed to working together at village level and have their own methods for joint discussion. Ad hoc local development committees allocated Government funds at one time for self-help projects at District level but these have given way to the local government District Councils. Regional community development fund allocation committees are being considered (on an advisory basis to select projects for assistance) for funds for the Second Development Plan period mentioned in paragraph 5 above. In general, however, ad hoc bodies are avoided when there is an appropriate existing unit of government which can be involved in the programme.

Local Government

16. Community development is regarded in Ghana as a central Government service which achieves an even level of direction and training throughout the country. However, indirectly it does much to stimulate the sense of leadership which is valuable for local government. As regards other contacts, courses are run for Councillors and there has even been an extension campaign for the Ministry of Local Government on the need to pay local government taxes. Attempts are made, where possible, to coincide local government and community development areas and to involve the local authorities in all projects. Care is also taken to discuss with them at the "processing" stage and they are generally regarded as a suitable source of funds for materials for projects. Community development is most generally effective at the village level and it is here that the local authority is brought in to support the villagers' efforts by grants and other means. Political and other considerations, however, often bulk more largely when local authorities are involved than when the community development worker is dealing directly with the people. However, there is no doubt that community development, to be successful, must keep in close contact with local government although it need not necessarily be a local government activity. It certainly should not be one unless the local government area is large and has a strong and efficient authority. The Ministry of Local Government is reviewing the general structure of local government on the basis of a recent survey.

Tribal Areas

17. Social and traditional customs are most important in community development and most teaching (including literacy) is carried out in local languages. To this extent, therefore, ethnic and language factors must always be borne in mind in planning projects and campaigns. However, attempts in the early days to base community development units solely on language and tribal groupings rather than the normal administrative groupings (which generally, but not always, follow language and ethnic considerations) proved so administratively inconvenient that administrative regional and district boundaries are now followed.

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Evaluation

18. The best evaluation of a programme is "a satisfied customer". In general the Department has had wide public support and demands for extension of its services. External evaluation in such circumstances is hardly necessary; it would be if there were wide public dissatisfaction. Internal evaluation is, however, continuous. Evaluation by research and surveys is dealt with ad hoc in regard to a particular problem. There is a quarterly statistical record of results achieved, which is evaluated at headquarters, and to evaluate savings on self-help projects every project (from the beginning of 1959) has a "theoretical price" which indicates its cost if undertaken by contract or if self-help were not involved. All regions are periodically inspected by senior officers from headquarters who write "trekking notes" on what they have found and there is an annual staff training conference in collaboration with the University College of Ghana, Institute of Education, for all senior staff and attached technical aid personnel, which evaluates progress on special themes such as visual aids and urban community development, etc.

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APPENDIX V

THE NATIONAL INDIAN INSTITUTE OF MEXICO AND OTHER COMMUNITY DEVELOPMENT PROGRAMMES $\mathbf{a}/$

- 1. There are a number of community development programmes in Mexico, all of them of the project type. This paper describes mainly the programme of the National Indian Institute. A brief sketch of related programmes is presented at the end of this paper.
- 2. Of the 30 million inhabitants of Mexico, approximately 10 per cent are classified as Indians. The criteria for defining an Indian are essentially cultural; therefore, an Indian who speaks Spanish, who discards his tribal costume in favour of modern attire and who adopts the Mexican way of life is no longer considered an Indian. There are in the country today about fifty Indian groups which vary in size from less than 100 to 650,000 persons. In some of the Mexican states there are no Indians, while in others the proportion of the total population reaches over 60 per cent. Large groups inhabiting a continuous territory are in the minority.
- 5. The degree of acculturation varies: one of the smallest groups lives in the jungle, divided in small bands, while others who live in the proximity of the cities will shortly pass into the large national group. Most of the Indians live in clustered or scattered rural settlements many of which are 100 per cent Indian while others live in villages, towns and even cities in close contact with the non-Indian population. The Indian social and cultural unit is the community rather than the linguistic group. The community may be either a single town or village or a unit which consists of a main settlement plus its satellite villages and hamlets. The basic administrative and political unit is the municipio which may be made up of one single village or a principal town and several other settlements.
- 4. The "incorporation" or integration of the Indian to the national way of life has been a major concern of the Mexican Government. The process of integration implies the breaking down of the physical and mental isolation of the Indian, the improvement of his economy and practical techniques as well as his health, and changing his orientation from a local to a national scale without the loss of certain cultural or community values. The process also implies the voluntary participation of the community side by side with the efforts of Government agencies.
- 5. Activities to foster integration of the Indian form part of the regular functions and programmes of the Government. However, at different times special agencies have been established in order to accelerate the process in spite of

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a/ Paper by Julio de la Fuente presented at the United Nations Workshop.

opposition by those who regard special treatment for Indians as a form of racial discrimination. Among such agencies the following are noteworthy: the Department of Indian Affairs, now called the Direction General of Indian Affairs (see description at end of paper), the Institute for the Spread of Literacy in Indian Languages (no longer in existence), the Mezquital Valley Project and the National Indian Institute.

- 6. The National Indian Institute was created by Presidential decree in 1948. The decree prescribes that the Institute shall be composed of a Director and a Council, in addition to technical and administrative staff. Although related to the Interamerican Indian Institute, it is an autonomous institution of the Federal Government. Briefly, the functions of the Institute are: (a) to study Indian problems and measures needed to solve them; (b) to carry out such measures as are approved by the President, including the co-ordination and direction of the work of the Government agencies concerned; (c) to carry out, in co-ordination with the Direction General of Indian Affairs, programmes for the improvement of Indian communities which are entrusted to it by the President; and (d) to advise public and private organizations on matters within its competence.
- 7. Research by the operating organization is in keeping with a relatively long standing practice in the country. Research into Indian problems is carried out before a project is launched and when it is under way by staff members, supplemented by specialists who are employed as needed. Research is thus restricted to immediate needs and does not interfere generally with other duties of staff research workers, being regarded as the most logical way in which the administrator may obtain the data he needs to obtain further support from higher authorities and for giving the work a particular direction.
- The status of the Institute differs from that of the ministries although the director, who is the legal representative of this agency and the person responsible for carrying out the policies, is - like the ministers - appointed by the President of the Republic. The director is also President of the Council of the Institute. The Council consists of representatives of the Ministries of Education (the representative of this Ministry is by law the Director General of Indian Affairs), Public Health, Agriculture and Livestock, Hydraulic Works, Communications and Public Works, and the Interior; and also representatives of the Agrarian Department, the (Government) Ejido Bank, the National Autonomous University, the Institute of Anthropology, the National Polytechnic Institute, and the Indian groups. (The last mentioned post has not yet been filled.) The Council is a high-level policy making body and serves as an instrument for co-ordination and for approval of programmes and budgets. The director, assisted formerly by a sub-director, is aided at present by a commission of technical consultants, consisting of specialists in each of the principal areas of action: applied anthropology, public health, education, economic development, agriculture and livestock, road construction, building construction, and publications.
- 9. The Ministries of Education, Public Health, Agriculture and Livestock, and Treasury subsidize the Institute. These ministries as well as the other agencies and institutions noted above contribute to the programmes in other ways. The budget for the current year amounts to about 8 million pesos (\$640,000 at the exchange rate of 12.50 pesos to \$USL.00). In addition, loans are obtained from Government financial agencies for use in special forms of economic development

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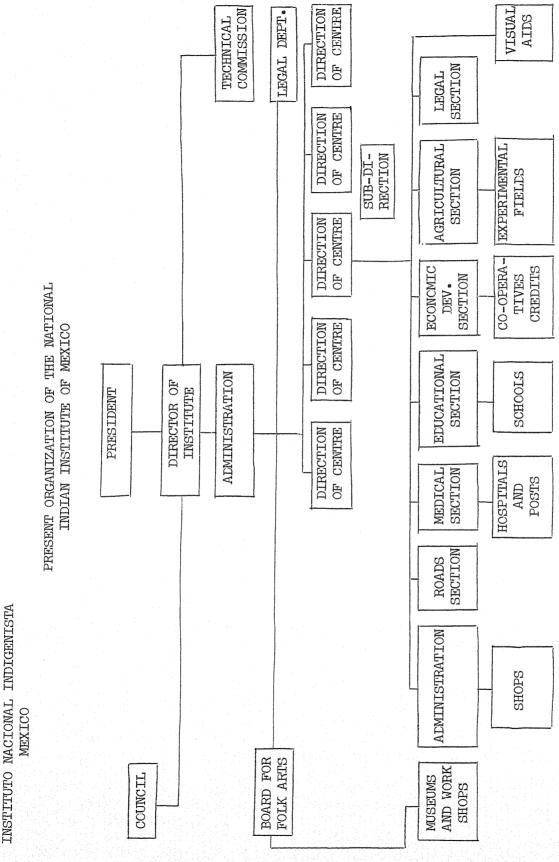
- of the communities such as credits for agriculture, exploitation of forest resources, etc. The Commission of Papaloapan (see description at end of paper), which co-operates with the Institute in a relocation programme, also contributes to the budget of one of the Institute's action centres.
- 10. The Institute personnel work under short-term renewable contracts and the Institute has preferred to hire its own personnel rather than using those of other agencies, mainly because of the advantages in having personnel fully devoted to its work. This system also facilitates selection of highly qualified personnel and avoids the administrative difficulties encountered in the Nayarit project wherein personnel at the same level from different departments received different salaries. However, the staff of the Papaloapan centre includes personnel paid by the Papaloapan commission.
- ll. Practically all of the Institute's effort is channelled into regional projects, through indigenous co-ordinating centres, of which there are now five. These centres are established by acts (acuerdos) of the President of the Republic. The acts state the objectives and the ministries and other Government bodies which are to participate in the centre councils and in the development of the programmes, etc. As their name suggests the centres are supposed to co-ordinate, in each area, the economic and technical resources of the federal agencies functioning in that area. The Institute plans to maintain the five co-ordinating centres now in operation and to establish three more per year during the next six years.
- 12. The actual structure of the centres is to some extent similar to the structure of the Institute itself. Each centre is headed, preferably by an anthropologist, who is assisted by a group of technicians including other anthropologists and specialists in the various fields of activity in which the project is engaged: medical doctors who have been trained in public health, agricultural engineers, etc. Another group of specialists at a scmewhat lower level consists of practical agronomists, nurses and others. A third level is made up of the so-called promotores, who are bilingual Indians, natives of the region, trained in the centres for the job of introducing into the Indian communities new ideas, techniques, and ways of organization. The work of the promotores thus constitutes an important and indispensable foundation on which the work of the centre as a whole rests. While all the personnel is in direct contact with the villagers, most of the promotores as well as a number of technical specialists live in the communities. Promotores in education serve as rural teachers but also carry out general work that helps other sections sensitizing and stimulating the communities, encouraging adoption of improved practices (e.g. grafting fruit trees) and helping technical personnel in other fields. Promotores in health, economics or agriculture carry out only their own specialized work.
- 13. The centres operate in four widely separated bi-ethnic areas in which Indians constitute the majority of the population. There are four native languages spoken in these areas, each one of them having several dialects. Due to budgetary limitations, the areas in which action is carried out are smaller than those corresponding to the Indian groups in question but the areas are expanded with the expansion of the budget. The areas of action vary in size from about 1,000 square kilometres to 15,000. (The area of one of the centres is a little larger than that of the other centres put together.)

The number of <u>municipios</u> in these areas vary between 3 and 100. Localities (settlements) per <u>municipio</u> range from one to about 100, while the population per area, Indian and non-Indian, varies from 20,000 to 110,000. All in all, about 400,000 people - Indians constituting 70 per cent of them - derive benefits from the Centre's multifunctional programmes. In so far as the centre's approach is regional in scope, the non-Indian population also derives direct benefits from the programmes, i.e. from the roads, water facilities and clinics built. Schools, teaching of new agricultural techniques and other activities of the centres are more fully dedicated to the Indians, although not exclusively so. This dual attention is an important characteristic of "regional" in contrast to a narrow conception of "Indianist" work.

- 14. The main establishments of the centres (i.e. central offices and clinics, experimental fields, houses for employees, etc.) are located in two small cities (only one of these near a capital city), a small town and two villages. The installations at the community level (schools, medical posts, etc.) are in villages and hamlets. It is of course in the capital cities of the states that the state agencies of the functional ministries are located. Some of these agencies are however maintained jointly by the federal and state governments, this being the case of the co-ordinated services of public health and social welfare. Since the states maintain departments similar to the federal ones, there results in some cases a clear duplication and even triplication of agencies. However, the installations at the community level more commonly found (quite often the only ones) are the rural schools, whether Federal, state or combined. Therefore, it is a function of the Institute to complement the regular services.
- 15. The <u>municipio</u> government consists of a popularly elected body (<u>ayuntamiento</u>) headed by a mayor. (Actually, the election system is modified by local Indian custom and other factors.) There is no authority between the <u>ayuntamiento</u> and the state government. The <u>ayuntamiento</u> is free to administer its budget as it deems convenient, the budget being made up of such taxes as are approved by the state legislature. However, the economic resources of the <u>municipios</u> are often very limited and their main contribution to the programme assumes the form of manpower.
- 16. The accompanying chart shows the actual organization of the centres. It differs considerably from the organization provided by law in that there is no centre council and in general no personnel from other Government agencies. Expediency, geography and, as mentioned before, the convenience of avoiding administrative difficulties give support to the present less complicated form of organization.
- 17. The Institute's council is the main body for co-ordination of federal action. At the state level, the centre is charged formally with seeking the co-operation of the state government. The centre also establishes direct relations with municipal or sub-municipal authorities to obtain their participation. At all levels, personal relations often facilitate co-operation. Although there occurs real duplication in the jurisdiction of agencies, only in certain cases or aspects is there real duplication of services because normal services in the communities are scarce. New services complement existing ones and the various agencies that have multi-functional activities tend to concentrate on different areas, as noted in the appended description of other community development programmes in Mexico.

-103-

INSTITUTO NACIONAL INDIGENISTA



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- 18. For example, although there are represented in a given area the co-ordinated services for health and sanitation as well as the health and sanitation services of the centre, the former limit themselves to the urban areas while the latter serve the Indian and mixed communities. Interrelation between them is frequently established along the following lines: the centre will plan special programmes, in conjunction with the co-ordinated services, which are eventually approved by the higher bodies; the co-ordinated services and the ministry will facilitate technical help, medicaments and personnel, if necessary, and the centre will contribute with other personnel and means and execute the programme. continuously reports to the ministry and the co-ordinated services. More or less similar relationships have been developed in other functional fields in the search for full co-ordination. In some areas, it will be possible in a few years to leave certain services to the normal government agencies. No study has been made of the advantages or disadvantages of the present diffusion of responsibility for public services. However, it may be said that new organizations tend to be more effective than the regular bureaucracies. Waste resulting from diffusion of responsibility for technical services must be set or studied against waste resulting from stagnation, rigid and insufficient budgets and other factors.
- 19. The voluntary or semi-voluntary organizations for community development at the regional and the community level consist of the tribal council (one case); the ejido organization; the board for civic, moral and material betterment; the committee for education; and the neighbouring group. Communal labour is frequently used in the communities in the execution of programmes of their own which may obtain help from government agencies before they are started or once they are under way. The centres use the indigenous institutions in which the labour provided by each adult male is locally considered as a kind of head-tax demanded by the community itself. The organization of communal labour is in charge of the municipal government or of an ad hoc local committee, the former being more frequent. Communal labour is used in the building of schools, local water systems, the cultivation of school plots, the construction of roads, etc. The centre and/or the agencies of the functional ministries contribute with technical advice, some materials and in special cases, with money. However, some of these works may be initiated and executed as parts of development projects.
- 20. The salaried village worker is, in the Institute's programme, represented by the Indian promoter of education, who is trained at the centres to carry out multifunctional tasks and, as noted earlier, by other premoters trained in health and sanitation, agriculture or management of co-operatives. No special department for evaluation has been set up, the results of the programme executed being evaluated through regular means.

Other Community Development Programmes in Mexico

The Direction General of Indian Affairs

- 21. The Department of Indian Affairs, an agency of the Federal Government of rank lower than a ministry, was created in 1938. Its head was appointed directly by the President. Its prescribed functions were
 - (a) to study Indian problems;

- (b) to propose to the President those measures and regulations that should be taken by various Government agencies so that their co-ordinated action would contribute to the welfare of Indians. (It was deemed inadequate, or something akin to discrimination, that a single agency should attempt to solve all the problems of the Indian population); and
- (c) to promote in the Government agencies as well as in the state governments those measures and resolutions which would contribute to the Indian's welfare.
- 22. A few state and regional programmes were carried out through the co-ordinated action of several ministries and state governments. However, the Department had often to rely on the goodwill of the government agencies to achieve some results. The relatively low status of the Department was probably an obstacle to its obtaining the co-operation of the higher ranking ministries. Because of this and other reasons, the Department was soon changed into a more direct action agency with the transfer to it of the Indian boarding schools and the cultural missions of the Ministry of Education, and an office for the protection of Indians. The Department also established a section for economic development.
- 23. In 1947 the Department was downgraded to a direction $\underline{b}/$ of the Ministry of Education in order to simplify in this and other ways the structure of the Government. The direction retained the functions and agencies mentioned above. The cultural missions are the only agencies for community development it has in operation. These missions differ from those mentioned below in that they operate only in Indian communities.

The Mezquital Valley Project (Patrimonio Indigena Del Valle Del Mezquital)

24. This project was initiated in 1950 by the Government of the State of Hidalgo with the main objective of bettering the conditions of the poverty stricken Otomi Indians of the Mezquital Valley. Soon thereafter it gained federal favour and became a federal project. It has a council of which the state governor is the president and an appointee of the President of the Republic is the executive administrator. The other members of the council are representatives of several ministries and Federal departments. In some instances the representatives are the top local authorities in combined Federal and state boards, e.g. that for hydraulic works. Relationships of the agency with the state government are stronger than in the case of the Institute. The project, which has no regional action branches, functions very much along the lines of the Institute which is also represented in the council. The population, Indian and non-Indian, affected by the programme is about 70,000. The annual budget of the project has been at one time about 7 million pesos.

The Cultural Missions (Missiones Culturales)

25. These organizations are the oldest or one of the oldest in community development in Mexico. \underline{c} / The missions are under the Department of Cultural

-106- /...

 $[\]underline{b}$ / The "directions" are the largest administrative units in the ministries.

c/ For detailed information on them, see Lloyd H. Hughes' The Mexican Cultural Mission Programme, (Monographs on Fundamental Education, 3), UNESCO, Paris, 1950.

Missions, which is a part of the Direction for Literacy and Extra-Mural Education in the Ministry of Education. The missions, 94 in number at present, 16 of them mobile or "motorized", are multifunctional, operate in rural areas for two or three years and then move to other places. The field of operation of each one is rather small. The missions, as differentiated from the above agencies, act almost exclusively as catalizers and organizers of self-help effort.

The Co-ordinating Commission For The Rural Social Welfare Programme (Comision Coordinadora Del Programa De Bienestar Social Rural)

26. The Co-ordinating Commission was established in 1955 by Presidential Decree under the Ministry of Health and Public Welfare. Its presiding officer is the Minister of Health or his representative. Among other members of the Commission are the director and representatives of several ministries and of the National Institute of Social Security. The programme is multifunctional, as in the former case, but emphasizes health generally and centres for maternal and child care. The Commission has established over 400 major and minor local agencies all over the country, and it is stated that these agencies benefit about 3,000 communities with 4 million people. The budget, which is provided by the Ministry of Health, was in 1950 above 8 million pesos annually. The programme is scmewhat unique in that it maintains centres for training some of its personnel not only in health but also in agriculture, fruit growing, animal husbandry and other specialties.

Commissions for the Tepalcatepec and the Papaloapan Basins (Comisiones Del Tepalcatepec y Del Papaloapan)

27. Both of these commissions deserve mention, however brief, because they include community development activities in their development programmes. The heads of both commissions are executive administrators appointed by the President. However, the commission for the Papaloapan is under the Ministry of Hydraulic Works. The National Indian Institute's Centre for the Papaloapan was established to assist the commission for the Papaloapan in the resettlement of about 12,000 Indians and non-Indians from the basin.

Boards for Moral, Civic and Material Improvement (Juntas De Mejoramiento Moral, Civico y Material)

28. These boards were established in 1953 as statutory bodies in each of the states and territories to foster community self-help effort. The central promoting and co-ordinating office for these boards has the status of a Direction in the Ministry of the Interior. There are state, regional and municipal boards. State and local authorities are called upon to take the initiative in organizing the boards but the boards must be elected by the communities themselves and no member of the local government may be on the board. The central and the state boards are supposed to provide local ones with orientation, direction and technical help, putting them in touch with the appropriate Government agencies when they need assistance. It is stated that 5,000 boards have been established in cities, towns and villages all over the country. The central and the state boards have no special budgets or technical personnel.

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Decentralization for National and Local Development

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Department of Economic and Social Affairs Division for Public Administration



Decentralization for National and Local Development

UNITED NATIONS New York, 1962 ST/TAO/M/19

UNITED NATIONS PUBLICATION Sales No.: 62. II.H. 2

Price: \$U.S. 3.00; 21/- stg.; Sw.fr. 13.00 (or equivalent in other currencies)

CONTENTS

		Page
I.	INTRODUCTION	1
II.	PURFOSES AND FORMS OF DECENTRALIZATION	5
	Role of central government	5 6 8 9
III.	SIZE OF AREAS AND NUMBER OF TIERS FOR FIELD ALMINISTRATION AND LOCAL GOVERNMENT	15
	Planning regions	19 20 21
IV.	AREA DIVISION OF POWERS AND FUNCTIONS	23
	Delegation and area organization	23 25
	functions	26 28 30
Λ.	PARTICIPATION AND REPRESENTATION OF THE PEOPLE	32
	Community development and other voluntary efforts Popular representation through local authority	33
	councils	37 41
	groups	43
VI.	STAFFING DECENTRALIZED SERVICES	45
	Staffing problems	45
	decentralization	46
	forms of decentralization	48 51 52

CONTENTS (continued)

		Page
VII.	FINANCIAL ASPECTS OF DECENTRALIZATION	55
	Central-field financial relationships	56 58 59 62 63
VIII.	CENTRAL AGENCIES FOR RATIONAL DECENTRALIZATION AND THE IMPROVEMENT OF LOCAL GOVERNMENT	66
	The ministry or department of local government Local government public service commission Local government training institution A loans agency for local authorities Association of local authorities	69 73 75 77 80 82 83
	ANNEXES	
I.	Terminology	88
II.	Optimum areas for administration of technical services:	
	A. Educational administration	90 120 126 130
III.	Patterns of decentralization in selected countries:	
	A. Brazil B. Burma C. France D. India E. Poland F. Senegal G. Sudan H. United Arab Republic I. United Kingdom of Great Britain and Northern Ireland J. United States of America K. Federation of Nigeria: Western Nigeria L. Yugoslavia	133 149 161 165 171 175 179 189 198 207 216 226
IV.	List of participants in the Working Group on Administrative Aspects of Decentralization for National Development	244

I. INTRODUCTION

- 1. The Governments of many developing countries are trying to make fuller use of local authorities and other forms of decentralization involving participation of the people in the administration of services required locally for social and economic development. In India, Pakistan and the United Arab Republic, for example, field administration units are being transformed into the executive arms of newly established local authorities; in Nigeria, consideration is being given to the possibility of combining two or more councils into special service authorities for the administration of such services as education and health, which they are individually too small to administer. Several Latin American countries are making a notable effort to improve the ability of municipalities to discharge functions needed for development purposes.
- 2. United Nations technical assistance experts in public administration have been requested to assist Governments in their efforts to decentralize (e.g. in the improvement of provincial administration; the transformation of administrative districts into local authorities; the preparation of a basic statute for local authorities; and the creation of a credit institution for local authorities). These requests are likely to increase.
- 3. The purpose of this study is to identify the principal forms of decentralization and to provide guidance on methods of dealing with the main administrative problems likely to be encountered under each. It is designed for ministers and senior civil servants who have responsibility for improving local government and administration in developing countries and for technical assistance experts in public administration who may be assigned to assist them.
- 4. This study, carried out by the Division for Fublic Administration of the Department of Economic and Social Affairs of the United Nations in collaboration with the specialized agencies and non-governmental organizations primarily concerned, forms parts of the programme approved by the General Assembly for "the collection, analysis and exchange of technical information in the field of public administration" (General Assembly resolution 723 (VIII). The subject problems of decentralization was among those proposed for research in the annex to the report by the Secretary-General of 25 October 1956 (A/C.2/L.189), which was approved by General Assembly resolution 1024 (XI). It supplements other studies of the Division, especially one entitled Public Administration Aspects of Community Development Programmes, 1/2 which was prepared at the request of the Social Commission, 1/2 and another entitled A Handbook of Public Administration. 1/2 It may also contribute towards the objectives of resolution 840 (XXXII) of the Economic and Social Council calling for concerted action on problems related to rural development.

^{1/} United Nations publication, Sales No.: 59.II.H.2.

^{2/} Official Records of the Economic and Social Council, Twenty-fourth Session, Supplement No. 9, annex II, project 8.3, and ibid., Supplement No. 1, resolution 663 A (XXIV).

^{3/} United Nations publication, Sales No.: 61.II.H.2.

- 5. Scholars and administrators in different parts of the world have collaborated in the preparation of this publication. Special acknowledgement is due to Henry Maddick, who prepared a manuscript on the subject under the auspices of the International Political Science Association, at the invitation of the United Nations. 4/ Scholars in a number of countries supplied information for the study.
- In October 1961, the United Nations convened a Working Group on Administrative Aspects of Decentralization for National Development (hereinafter referred to as the "Working Group on Decentralization") to consider a draft discussing paper designed by the Division for Public Administration to provide the framework for this study and to advise on the use to be made of other available materials. As is evident from the list of participants in Annex IV, the Group was broadly representative of regions of the world, of systems of government and of specialities involved in decentralization. It consisted of ten senior officers of ministries of local government or related ministries, the head of a training and research institute for municipal administration, a regional co-ordinator of prefects, two specialists on comparative local government and field administration and specialists designated by the International Labour Office, the Food and Agriculture Organization, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization and the United Nations (Bureau of Social Affairs and Division for Public Administration). The participants contributed papers on patterns of decentralization in their countries, on optimum areas for administration in their technical specialty or on central services for local authorities. Some of these papers are reproduced herein as annexes II and III. Annex II consists of papers on optimum areas for the administration of technical services prepared on behalf of FAO, UNESCO, WHO and the United Nations Bureau of Social Affairs. Annex III, which consists of papers on patterns of decentralization in selected countries, presents the views of individual authors in the countries concerned.
 - 7. The Working Group on Decentralization redrafted the above-mentioned discussion paper and provided general guidance on the use to be made of other materials. A draft of the study was sent to the specialized agencies and to participants in the Working Group and then revised on the basis of comments received. The Division for Public $^{\rm A}$ dministration, while assuming responsibility for the contents of the final version of the study, is grateful to all who have participated in its preparation.

Scope of the study

8. This study deals with the administrative aspects of decentralization for national development in developing countries. It is primarily concerned with

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The study by Henry Maddick, entitled <u>Democracy</u>, <u>Decentralization and Development</u>, was scheduled for publication in <u>December 1962</u> by the Asia Publishing House. Another study which was useful to the Division for Public Administration, especially in developing the classification of systems of decentralization, is <u>The Structure of Local Governments</u> Throughout the World, by Samuel Humes and Eileen M. Martin (The Hague, Martinus Nijhoff, 1961), a study sponsored by the International Union of Local Authorities with the collaboration of UNESCO.

decentralization of general governmental functions and of technical services, i.e. services in such fields as agriculture, education, health and social welfare, that require co-ordination at the local level, involvement of the individual citizen and technical support from higher levels.

- 9. The term decentralization as used here refers to the transfer of authority away from the national capital whether by deconcentration (i.e. delegation) to field offices or by devolution to local authorities or other local bodies. The study is thus concerned with the various methods of administering locally the functions and services described above, including administration by field units of the central government, local authorities, special statutory bodies or combinations of these.
- The promotion of development requires rational determination of what is to be centralized and what decentralized with respect not only to general governmental functions and technical services but also to economic activities. Governments of developing countries must play a large role in channelling financial and other limited resources into activities that will increase the productive capacity of the country. They may also find it necessary to organize and manage economic enterprises, the organization and areas of which may affect and be affected by those for other public services. At the same time, they will find it advantageous to encourage co-operative and private enterprises under appropriate controls to avoid abuse. These, together with productive, socially owned enterprises run on a self-governing basis, as in Yugoslavia, may be viewed as methods of decentralization in the economic field. The Working Group on Decentralization, while stressing the importance of economic aspects of decentralization, agreed that, in order for the study to be manageable, it should consider economic functions, including public enterprises, only in so far as they have a direct bearing on problems of decentralization of general functions of government and technical services as defined herein. 5/
- 11. The study is further circumscribed as follows:
- (a) Administrative aspects of urbanization are to be the subject of a separate study approved by the Economic and Social Council (resolution 830 B (XXXII)). Accordingly, the present study deals primarily with rural areas and towns with populations not exceeding about 50,000. Many of the generalizations, however, are applicable also to larger urban centres.
- (b) Generally speaking, a federal system of government is more conducive to administrative decentralization to an intermediate (i.e. the state) level than a unitary system. There are, however, federal governments whose responsibilities, systems of field administration and relations with units of government at lower levels are similar to those of some governments organized on the unitary principle.

For comparative studies on public enterprises and other autonomous institutions, see Public Industrial Management in Asia and the Far East (United Nations publication, Sales No.: 60.II.H.l); Some Problems in the Organization and Administration of Public Enterprises in the Industrial Field (United Nations publication, Sales No.: 1954.II.H.l); and Devolution of Powers to Autonomous Institutions, including Professional Bodies and Universities, by Brian Chapman (International Institute of Administrative Sciences, Brussels, 1959).

Moreover, most of the problems of decentralization in unitary systems will be found either at the state or national level in federal systems. In order to avoid repetition, therefore, federalism is not dealt with in this study as a separate form of decentralization, and its implications are noted only where especially relevant. Accordingly, the term "central government", as used herein, refers to the headquarters of a technical service or the level primarily responsible for relations with local authorities - the national government in a unitary system and either the national or state government in a federal system.

- (c) The study is concerned primarily with forms of decentralization that can be applied on a nation-wide basis. Special organizations for the development of certain regions or groups are not examined in detail. The Working Group on Decentralization, in considering this restriction, noted the need for additional information on these special organizations and the importance of their relationship with other units of government.
- 12. The study assumes a willingness and ability to decentralize in whatever ways are most effective to foster social and economic development. The Working Group noted that certain conditions must exist before a government is willing to undertake substantial decentralization. It must have, inter alia, sufficient stability internally and in its external relations to permit confidence in its ability to maintain conditions of law and order as a normal state and to collect revenues adequate at least to finance these stability-supporting activities. Newly independent countries that attempt to restructure political and economic power may be especially sensitive to the need for internal stability. Arrangements for field administration and local government are likely to reflect political, security and revenue concerns as well as concerns for the administrative efficiency of technical services and values attributable to devolution to local authorities. For some developing countries, the main question may be whether technical services should be attached to a traditional structure of field administration whose primary interests tend to give it a centralist bias, with emphasis on public security and revenue and a set of areas appropriate to these purposes, or whether they should form the basis for a new structure, either replacing the traditional one or disassociated from it and having social and economic development as the main criterion for decentralization.
- 13. Centralization and decentralization may be viewed as opposite extremes of a single continuum, neither of which will be a practical choice for any government for any substantial period of time. It is a question of tendency and degree. The choice of direction, and of pace and extent of change, may vary with the stages of political, economic and social development and may be different for different functions.

II. FURPOSES AND FORMS OF DECENTRALIZATION

- 14. The problems of decentralization in developing countries must be seen in the context in which they arise. Although differing among themselves in many years, most developing countries have the following characteristics in common.
- (a) The basic human needs for food, improved health, clothing and housing are far greater than the resources immediately available to meet them. Moreover, the gap between the people's standards (or expectations) of living and their actual level of living is steadily widening and the demands upon government for more and better services and other remedial measures are constant and ever increasing.
- (b) A large percentage of the population lives in rural areas. Although conditions in developing countries are generally poor, the differences in levels of living between urban and rural areas and between people within the same area are usually great. These differences are aggravated by the concentration of public services in the national capital and other principal cities, and this is a major cause of the rapid growth of such cities. Development programmes must be designed to reach and to benefit the large majority of the people if the programmes are to gain wide-spread support and are to contribute to national unity and development.
- (c) Differences in language, culture and traditions, coupled with wide-spread illiteracy and poor transportation and communication facilities, result in physical and cultural isolation and complicate the problems of administration. The social organization, economic structure and land-tenure system are often additional obstacles to change. Special measures are needed in these circumstances to introduce new ideas and practices and to gain active participation by all elements of the population in development programmes.
- (d) Shortages of public revenues and of trained personnel seriously handicap public administration. Moreover, community, voluntary, private and other institutions outside large urban areas, especially capital cities, seldom have the leadership, skills or funds to initiate the new services and functions required locally for social and economic betterment.

Role of central government

- 15. In these circumstances, and given the urgency of improving conditions, the central government of a developing country must initiate and, at least in the early stages, carry out most of the things that must be done to accelerate social and economic development. This involves:
- (a) Formulating comprehensive plans and programmes as a basis for the allocation of resources on a functional and geographic basis;
 - (b) Providing the legislative framework and funds for the programme;
- (c) Providing leadership, inspiration, policies and technical standards for extending services on a nation-wide basis;

- (d) Creating administrative machinery and training technical and administrative personnel;
 - (e) Conducting needed research;
- (f) Introducing new ideas and practices among the people, stimulating popular involvement in development programmes and developing local government and other local institutions to maintain and build upon the innovations, with continuing participation by the people;
 - (g) Supervising and supporting decentralized units; and
- (h) Executing over-all development measures, such as the construction of major public works, which will increase the opportunities for fruitful local effort.
- 16. All Governments perform some of these functions, but the distinguishing feature of developing countries and indeed a measure of their under-development is the degree of reliance upon the central government and more particularly upon decisions in the national capital for public services carried out locally. In countries in the earliest stages of development, the conduct of all but the most traditional affairs may be centred in the nation's capital.

Purposes of decentralization

- 17. Governments must decentralize authority to take decisions as rapidly as is practicable in order to accelerate economic and social development and to make the effects of their programmes lasting. Decentralization serves a number of purposes related to development.
- 18. "Decongestion" of government in the nation's capital relieves members of the legislature and of the national executive from involvement in many purely local issues, frees key officials from onerous and detailed tasks and increases the speed and effectiveness of administration at all levels. Decentralization is especially important in developing countries where rapid expansion of public services greatly increases the number of government transactions and consequently the hindrances and wasted effort resulting from over-centralization of controls.
- 19. The following are examples of some of the effects of excessive centralization:
- (a) Approval at the highest level may be required before even minor actions can be taken. For example, expense vouchers may have to be signed by directors or even by ministers before payment can be made; appointments of even the lowest grades of personnel may have to be cleared through the office of the head of the executive; expensive engineering machinery may lie idle for lack of spare parts which await headquarters approval; equipment may not be moved to another district for urgent purposes without permission from the capital; the head of the government may have to intervene in jurisdictional and administrative disputes between ministries over trivial matters;
- (b) There may be uneconomic distribution of supplies: instead of direct shipment of supplies from manufacturer to place of use, major items may be freighted to a central supply depot and then hauled back to the place where they are, or could be, manufactured;

- (c) There may be excessive prescription from the centre. For example, the practice of producing in the capital designs for even the most simple elements of public works' construction may cause delays and failure to use local materials and skills:
- (d) There may be excessive adherence to regulations after changes in circumstances have made them unworkable. Although decentralization of purchasing authority may take place, its value may be stultified if financial limits are retained after inflation has reduced them to an absurdity;
- (e) The material and social rewards which are given for work in the capital or at regional headquarters may make it difficult to recruit field personnel.
- 20. Rational decentralization can facilitate co-ordination of technical services at the local level and thereby increase their effectiveness. A study by the World Health Organization has stressed the interdependence of technical services:

"As its study proceeded, the Committee became more and more aware of the fact that a health service is only one aspect of planning at the local level for the welfare of the community. The basic requirements of agriculture, education, social betterment, economic stability and many other services or purposes were of equal importance. Moreover, the broad needs of a local area demanded a balanced programme and not a series of more or less unrelated movements which so often entailed waste of money and effort, and overlapping of staff." 1/

- 21. The following illustrate the wastage that can result from lack of co-ordination at the local level:
- (a) Dams were built by the Ministry of Public Works in one country to make available water for irrigation at locations where Ministry of Agriculture soil surveys had already shown that the land was not suited to this use;
- (b) Representatives of the Ministry of Agriculture in another country were promoting the production and use of certified seeds while State Bank representatives were granting credit for purchase of seed varieties not recommended by the Ministry;
- (c) The plans of one ministry to build a new housing estate on a particular site were well advanced when it was discovered that another ministry's plans to turn the same area into a reservoir were equally well advanced;
- (d) Differences in the priorities of agencies can be wasteful. For example, an urgent school repair was accorded low priority by public works; and vaccination officers arrived at school on a day when examinations were scheduled.
- 22. Decentralization involving effective participation by the people in government programmes carried out locally can yield many benefits. First of all, the people will have a better understanding of what the government proposes. Through this understanding they will be more likely to adopt the new ideas and practices, use the services offered, contribute their own effort and resources to the programme, give vitality to new institutions and make constructive adjustments in their lives

-7-

World Health Organization, Methodology of Planning an Integrated Health Programme for Rural Areas, Second Report. Technical Report Series, No. 183 (Geneva, 1954), p. 44.

that may be necessitated by the initital changes proposed, thus making the changes enduring. For example, the benefits of substituting swamp cultivation for hill cultivation of rice must be clearly understood by farmers if they are to adopt the new practices and make all the consequent adjustments in their way of life, in social relationships rooted in land rights and in new forms of community organization that may be necessary in the resettled areas. 2/

- 23. Secondly, the central government's development activities can be made more realistic by involving the people locally in important decisions. Fuller account will thereby be taken of local knowledge, needs and interests. Moreover, methods appropriate to the circumstances can more readily be devised for fulfilling local needs.
- 24. Finally, popular participation increases the likelihood that services and amenities, once established, will be maintained and even expanded. Moreover, success in fulfilling a community need encourages people to try to meet others. The experience in establishing and managing a community facility is cumulative and new sources of initiative and leadership arise to draw upon it.
- 25. The Working Group on Decentralization stressed the value of local authorities for training people in self-government. Local authorities pose problems of government on a small enough scale for the individual citizen to take an intelligent and effective interest. Furthermore, experience in dealing with local affairs gives people an appreciation of what is involved in dealing with more complex issues on a wider geographic basis. Local government thus provides support for parliamentary and other representative systems at the national level and also serves as a training ground for future national leaders.
- 26. Although devolution is often assumed to have a divisive effect, it can be designed to contribute towards national unity. For example, giving local authorities a sense of participation in the formulation and execution of national development programmes can strengthen the identification of communities with the national government and with people elsewhere in the country.

Excesses of decentralization

27. Premature or excessive decentralization can also be harmful and wasteful, although its effects are usually difficult to distinguish from those of poor administration generally. For example, wide-spread corruption and other abuse of public office may be a result of excessive decentralization of financial authority or simply of the absence of adequate accounting and auditing controls or the failure to punish offenders. Improper performance or non-performance of a function locally could be due to decentralization of more responsibility than local personnel can carry out or possibly to the failure of a supply system. A readily identifiable and common example of over-decentralization is the devolution of functions to local authorities which lack the technical personnel and funds to perform them. Thus, the form and degree of decentralization must be adapted to circumstances, including, in so far as devolution is concerned, the readiness of people to accept and discharge responsibility.

^{2/} Firth, R.W., "Some Social Aspects of the Colombo Plan", Westminister Bank Review, May 1951, pp. 1-7.

Forms of decentralization

- 28. The system of decentralization of a country is a mosaic composed of many elements, including, more especially, the relationship between government and the people; the constitutional structure (e.g. the existence of a presidential or parliamentary, or a federal or unitary, system); the structure of political parties and their relationship with governmental organs at different levels; the relationship of national legislative constituencies to field administration and local government areas; the relationship of economic and social structure to governmental authority; concepts and practices with respect to field administration and local government; the role of voluntary organizations in meeting public needs; and the methods of associating people with governmental bodies at different levels.
- There are many variations in the structure and function of the elements of decentralization with which this study is primarily concerned. For example, field units of technical services may have: (a) a common area co-ordinator who directs, controls administratively or simply gives administrative support to their operations; (b) the same headquarter cities and approximately the same area coverage but no area co-ordinator; or (c) different areas and headquarters cities. Local authorities may be multi-functional or single-purpose; they may be all on one level, as is common in Latin America, or on several levels, with each level deriving its authority and responsibility directly from the central government in some countries and from the next higher level in others. Arrangements for popular participation locally in the administration of technical services can take such forms as periodic meetings of villagers with representatives of these services; voluntary organizations in support of a given activity; and advisory committees or special statutory bodies associated with field units of central agencies. The functions of these elements and the way they are related to one another and to other political, economic and social institutions give the system of decentralization of each country a distinctive quality.
- 30. Some elements are more subject to change than others, but the systems of decentralization of all countries are constantly changing, however slightly, and may have to be subject to substantial change to meet new requirements. This is especially true of developing countries which, in most cases, must overcome long-standing traditions of centralized administration if they are to make the most of their technical and material resources and involve the people in the processes of change.
- 31. Changes must, of course, be made cautiously. An appreciation of the elements of strength within a system and of the factors which support them is a prerequisite to constructive change. Much can be learned from the experience of other countries, but borrowing must be highly selective and always with a degree of adaptation. Something which works well in the system of one country may not work in another, and the transplantation of an entire system would almost certainly invite disaster.
- 32. Despite the diversity of systems of decentralization and their changing character, four basic patterns of field administration and local government are identifiable and are defined in the following paragraphs as providing useful frames of reference for the analysis of administrative problems of decentralization.
- 33. Comprehensive local government system. In this system most government services at the local level are administered through multi-purpose local authorities.

A concept of substantial unity of purpose among representative bodies at all levels underlies the system. Local authorities perform some functions pursuant to general statutory authority and others on behalf of central ministries. The distinguishing feature of this system is that local authorities, rather than field units of central ministries, render all or almost all direct agricultural, educational, health and social welfare services that reach the individual. Technical support from higher levels is required at all stages of development. This need is particularly acute and applies to a wider range of services in the early stages of evolution of this system in developing countries, as is evident in the programmes of decentralization emerging in India, Pakistan, the Sudan and the United Arab Republic and as characterized, to a certain extent, the early development of decentralization in Yugoslavia. 3/

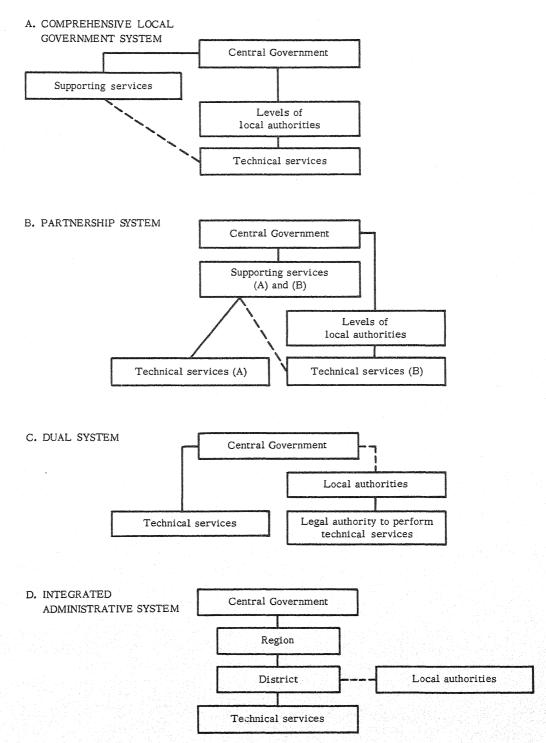
- 34. Partnership system. In this system, some direct services are rendered by field units of central agencies and others by local authorities. The local authorities perform some functions more or less autonomously, pursuant to general statutory authority, and they perform others on behalf of and under the technical supervision of central ministries. This system permits use of either field administration or local authorities according to the needs of the particular function and situation. Field units are likely to be co-ordinated, if at all, only at the regional level. This is the predominant pattern in Ceylon and in English-speaking areas in Africa (e.g. in Western Nigeria see Annex III, section K).
- 35. Dual system. In this system, central ministries administer technical services directly, with local authorities having autonomy legally to perform local services and to do what they can to foster local development, but actually performing few if any technical services either directly or on behalf of central agencies. Separateness and conflict rather than unity or co-operation characterize relationships between central government and local authorities. Local government under this system is more an instrument of political decentralization than of social and economic development. This is the predominant pattern in Iatin American countries (e.g. in Brazil, see Annex III, section A). Formal organization for field co-ordination of central government services is rare where the dual system exists.
- 36. Integrated administrative system. In this system, central government agencies directly administer all technical services, with central government area co-ordinators or district administrators responsible for field co-ordination. Such rural local authorities as exist have little control over government activities and staff in their areas. This is the pattern in most countries in South-East Asia and the Middle East.
- 37. The four categories outlined above are broad and there are wide variations in the systems of decentralization of countries which fall into each. The difference between the comprehensive and the partnership systems lies largely in the extent of reliance upon local authorities as the channels for direct services.

-10-

There are wide differences between these countries and also between parts of the same country in the degree to which local authorities are representative of the people locally and have power to act. The term "local authority", as defined in Annex I, covers a wide range of bodies, but it is to be understood that the term becomes more meaningful as local authorities become more representative and more competent de jure and de facto to act upon local matters.

SKELETON CHARTS OF SYSTEMS OF DECENTRALIZATION FOR THE ADMINISTRATION OF TECHNICAL SERVICES

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The categories do not necessarily reflect degrees of decentralization. There may be greater centralization of authority in the early stages of a comprehensive system than in a mature integrated administrative system where field personnel, in consultation with people locally, may have a wide latitude for programme formulation and execution. Two or more systems may be found in different parts of the same country, particularly in countries organized on a federal basis and having certain territories directly administered by the national government. For example, the following comment was received from a Canadian official 4/ on the application of the classification to Canada:

"In applying this classification to our situation, I find that we are applying at least three of the patterns. Cur local government operates on a partnership system. Our structure in the far northern ('under-developed') area is or tends to be an integrated administrative system. Cur public health regions resemble a dual system. It would appear, therefore, that despite significant differences in general economic, social and technological environment, we do encounter many of the situations which confront the countries you are concerned with. Thus, our integrated administrative system applies where development and services require integration. Our dual system applies where technical standards require provincial control over staff. Our partnership system applies where economic maturity is sufficiently advanced and local competence in government has developed. Perhaps simultaneous application of a variety of forms is more sound conceptually than a predilection for a single form."

- 38. Nor should it be inferred that the systems of decentralization described above are static. They are, in fact, constantly changing and, especially in developing countries, are subject to substantial changes as circumstances, ideas and needs changes are subject to substantial changes as circumstances, ideas and needs changes are subject to substantial changes as circumstances.
- The classification is, however, useful both for comparative study and for exchange of information on administrative problems involved in decentralization. Although conceived with developing countries in mind, the classification appears to be applicable also to the more developed countries. It emphasizes the different approaches to decentralization and the problems characteristic of each. Countries with a comprehensive local government system, for example, are likely to find difficulty in ensuring adequate technical supervision and support of technical services and to have many distinctive personnel and financial problems in view of the large measure of administrative decentralization to local authorities. Countries with a partnership system are likely to have more centrally oriented field administration and to have distinctive and more complex problems of financial and administrative relationships between central and local government. In the dual system there are distinctive problems of field co-ordination, of relations between central agencies and "autonomous" local authorities and of obtaining popular participation in the activities of central agencies. It is common, in countries which have this system, for technical departments individually to carry out multi-functional programmes in rural areas in order to provide the complementary services required to make their principal functional programme successful. The concept of "autonomy" in local government must be supplemented or displaced by that of "partnership" between central and local government if local government is to have an important role in the development programme. Countries with an integrated administrative system have special problems of adapting central programmes to local needs and interests and also of enlisting the participation of the people therein.

-13-

^{4/} M. Brownstone, Deputy Minister of Municipal Affairs, Province of Saskatchewan,

40. In the analysis which follows, it will become evident that certain problems, such as determining the size of areas for local government and administration, apply to all four categories; others, such as the relationship between generalist field administrators and technical officers at various levels, apply only to integrated administrative and some partnership systems; and still others, such as field co-ordination of technical services and the development of popular participation in these services, have distinctive aspects in all four forms of decentralization.

III. SIZE OF AREAS AND NUMBER OF TIERS FOR FIELD ADMINISTRATION AND LOCAL GOVERNMENT

- 41. The classification of systems of decentralization set forth in Chapter II indicates the different methods of organization by areas for administration of public services. There is an inherent conflict between organization according to the area requirements of individual services (i.e., by function) and organization according to the various public service requirements of people or regions (i.e., by area). Historical, political, geographic, economic, technological, ideological and other factors influence the outcome of this conflict and account for the differences in systems of decentralization. The decision a government makes in resolving this conflict determines the nature of its main concerns regarding the size of areas and the number of tiers for field administration and local government. Countries with an integrated administrative system will be concerned with the size of common areas and the number of tiers for administration of technical services. Countries with a comprehensive local government system are likely to be preoccupied with the accommodation of the area requirements of technical services to the requirements of local authorities. Countries with a dual system will emphasize the area requirements of each major service, as will also countries with a partnership system, except for services devolved upon local authorities. This chapter discusses questions regarding areas for administration of technical services that ought to be taken into account in any assessment of areas for field administration and local government.
- 42. The term "technical services", as noted earlier, refers to services in such fields as agriculture, education, health and social welfare which require substantial co-ordination at the local level, popular participation, adaptation to local circumstances and technical support from higher levels. They are distinguished from what might be termed "centralized field services" such as postal services or telecommunications, which lend themselves to highly centralized forms of field administration or to an area organization distinct from that of most government services, for example, mine inspection or forestry, and they are also distinguished from "local services", such as construction and maintenance of local roads and irrigation works, which can be performed effectively without technical support or supervision from higher levels. As technological advancement spreads and technically qualified personnel become increasingly available at the local level, some technical services or aspects of them may become local services.
- 43. Three area levels of operation of technical services have been identified: $\frac{1}{2}$

Concepts and principles of community development and recommendations on further practicable measures to be taken by international organizations, report of the Secretary-General to the Economic and Social Council, 12 March 1957 (E/CN.5/325), Annex II, part 2, "Technical services contributing to community development", p. 13.

- (a) direct services: the level at which technicians are placed in direct contact with the people; 2/
- (b) supporting services: the level concerned with supervision, supply, planning, training and applied research in immediate support of direct services; and
- (c) over-all development services: comprehending policy formulation, legislation, financing, national planning and major public works.
- 44. As the papers on optimum areas for administration indicate (see Annex II), activities usually performed by the same department and identified with the same technical service have different area requirements at the level of direct services. Different technical services also have different area requirements. For example, the paper on educational administration (see Annex II, section A), suggests that, given a population of average age composition and disregarding other important factors such as geography, population density, roads, ethnic differences and availability of personnel, the optimum minimum area for primary education (ages 6 to 12) is a three-teacher school for 120 children, and for secondary education, a school with twenty-five teachers for 600 pupils. Thus, the optimum minimum area for provision of primary and secondary (i.e., direct) educational services is an area that can supply 600 pupils at the secondary level (ages 13 to 18), estimated in this hypothetical case to have a population of 20,000. The area for efficient staffing of specialized supporting services involved in educational administration (e.g. school construction, teacher training, supervision and procurement of supplies) is assumed to be one comprehending a population of about 400,000.
- 45. The paper on administration of health services (see Annex II, section B) points out that although no absolute criteria exist for the ratio of health workers to population, the aim should be to achieve the following minimum standards: one nurse for 1,000-1,500; one dentist for 4,000-5,000, one general practitioner for 4,000-5,000; one sanitarian for 8,000-10,000; one pediatrician for 10,000-15,000; one surgeon general for 20,000-30,000; and one gynecologist for 40,000-50,000. The ratio for other specialists varies greatly (e.g. one neurologist could serve a population of one to two million).
- 46. The paper indicates that there are wide extremes in the population of comparably staffed rural health units in different countries. However, a hypothetical rural region of about two million is regarded as justifying provision of all normal health requirements, including technical services at the regional level and two grades of hospitals one at a level covering 200,000 people and another as part of a health centre serving 50,000 people. Other services at these levels are also indicated. The paper mentions factors such as population density, transportation and availability of personnel and funds that will affect the optimum

^{2/} As used in this report, "direct services" include, in a field such as agriculture, advisory or extension services, regulatory activities involving contact with farmers and services such as provision of credit, improved breeding stock, seeds and special farm equipment. Some services, such as regulatory activities and the collection of loan payments, may be satisfactorily performed by the same officer; others, such as agricultural extension and enforcement of erosion control measures, often cannot be.

size of area in a given situation. 3/ Moreover, it suggests that areas for administration of health services should correspond as closely as possible with those for local authorities and for administration of other services with which it should co-operate.

- 47. The paper on administration of social services (see Annex II, section C) indicates that additional research is needed on the requirements for efficient operation of social welfare services and the minimum area and population within which these requirements can be met. However, it points out that substantially different sized areas are required for different types of services and institutions; for example, institutions for the rehabilitation of certain categories of physically handicapped persons would serve a large area and might have to be centrally administered, whereas day-care centres would cover a much smaller area and might be administered by local authorities or voluntary bodies or in some other decentralized form. Whether or not a given social service can be performed by local authorities may depend on the relationships between levels of governments, because "where it is close enough, even a service run by auxiliary personnel could be a part of a local government unit, assuming supervision would be provided by a higher level of local government or central government field unit".
- 48. The paper on administration of agricultural services (see Annex II, section D) points out that, on the basis of the experience of countries with small farms, it is estimated that a field extension worker can effectively serve from 600 to 1,000 farmers, depending on the ease of transportation, the educational and technical level of the farmers and the suitability of the methods used to contact and persuade them. The paper notes that, in view of the need for co-ordination of agricultural research, education and extension services at the national level and for other technical reasons, it does not seem advisable to devolve extension services below the provincial level. Local authorities should, however, be closely associated with extension activities and might in some cases assume responsibility for administration of schools for training farmers and such agricultural workers as tractor drivers.
- 49. Since the data presented in the above-mentioned papers are not founded on common assumptions concerning the circumstances to which they apply, they do not establish with precision the relationships between the optimum areas for administration of these important services. Nevertheless, an inference can reasonably be drawn from the data that the differences between the area requirements of technical services are significant at least for those countries which have common administrative or

With reference to the optimum size of the local area for health protection, "ease of communication should be the determining factor ... Distances may not be great, but if the medical personnel must rely on a bicycle for transport (as one country indicates), an area of 200 square kilometres is already too large". Fifth World Health Assembly, World Health Organization, A/5 Technical Discussion/1, 2 May 1952.

local authority areas for administration of technical services and especially those which adopt a standard sized unit for administration of most direct services. $\underline{4}/$

- 50. As a general rule, where technical services are to have common administrative areas, it can be assumed that it will be most economical if the size of the area is at least as large as is required by the technical service having the largest area requirements for its activity at that level. For example, on the basis of the above-mentioned data and allowing for their limitations, it would appear that common areas for administration of technical services should not be smaller than the minimum required for optimum administration of health services which, under the circumstances described in Annex II, section B, would be an area with a radius of 35 kilometres and comprehending about 50,000 people.
- 51. The Working Group on Decentralization, recommended that the United Nations and the specialized agencies carry out comparative studies of the minimum areas for optimum efficiency of administration of technical services under different types of situations. The findings of such studies would provide a more rational basis than has hitherto been available to countries which may undertake nation-wide revision. For example, in Western Nigeria, where local authorities at the village level are too small to administer technical services, consideration is being given to grouping several local authorities to form separate special service authorities for education, health and perhaps other major technical services, the same grouping of local authorities being used for each of the several special service authorities. Another government in Africa wants to establish local authority boundaries with a view to breaking down feudal tribal relationships. Elsewhere, as was the case in India and the United Arab Republic, there is the need to revise traditional administrative areas, originally designed for police and revenue purposes, to take into account the area requirements of technical services. The studies would also enable governments to assess better the costs and benefits of using common areas for administration of each technical service.

-18-

^{4/} For example, in the United Arab Republic, the village council comprehends about 15,000 people (one to three villages) and includes the following staff: (medical) a doctor, laboratory assistant, health supervisor, midwife, two assistant midwives, two nurses, an assistant nurse and three dressers; (education) a headmaster and twelve teachers; (extension officers) an agricultural social worker and an assistant agricultural social worker; and eighteen clerical, administrative and other workers.

In India, the standard development block (panchayat samiti area) covers about 66,000 people (100 villages) and has the following staff: a Block Development Officer; (medical) a medical officer, compounder, sanitary inspector, lady health visitor and four midwives; eight extension officers, one each in agriculture, animal husbandry, co-operatives, panchayats, rural industries, rural engineering, social education and programmes for women and children; twelve village level workers; and fifteen clerical, administrative and other workers. For education, staffing varies according to the population of the individual block, which ranges from 45,000 to 95,000. Primary education, although not included in the community development block organization, is in some states being placed under the panchayat samities. There may be from 150 to 200 teachers and one or two sub-inspectors of schools per block.

52. Although comparative studies can doubtless improve upon the general guides offered in this document, they should not be expected to produce specifications applicable anywhere without modification. It is unlikely that models can be devised to take completely into account the many variables that must be considered in deciding upon areas for field administration and local government in specific situations. Such variables include the system of government, settlement pattern, ease of communication, availability of technical personnel, financial capacity and factors involved in popular participation and control, including the long association of people or tribal organization with a given area. These factors, and combinations of them, must be taken fully into account, together with generally applicable criteria for efficient administration, in each particular case. Nevertheless, the guides would assist governments in assessing the adequacy of their existing areas, in projecting future patterns and in effecting changes, as circumstances permit, toward the desired patterns.

Planning regions

- 53. The United Nations Seminar on Regional Planning, held in Tokyo in 1958, recognized the need of units for planning and development at a level between local authorities and the central government and noted the absence of such units in many countries. The Working Group on Decentralization, asked to identify the factors which should govern the definition of areas for regional planning and development units, emphasized political, planning and administrative factors.
- The requirements of planning and administration, within the limits of what is possible and advisable politically, tend to determine the "planning region", which may also serve as the largest field area. Historical boundaries and current associations of people with areas are among the political factors to which planning and administrative requirements must adjust themselves. The distribution of political power on an area basis, as in a federal state, may even preclude the establishment of regions. The regions can, however, be designed so as to minimize political objections to them. For example, the fewer the number of regions and the larger their size, the greater will be the prestige and weight of area co-ordinators in relation to the central government. This may go so far as to make the area co-ordinators too powerful and, especially if the co-ordinators are politically chosen, may facilitate resistance to the central government. of promoting rational decentralization, it may lead the centre to fear to delegate authority. Normally, therefore, a plan for three or four regions should be avoided. The minimum, of course, would depend on the size of the country and its ability to support financially and with staff the offices of these regional co-ordinators.
- 55. Integral regional planning, at the same time, calls for large areas in which a variety of needs, economic resources and ways of life can be seen in their complex interrelations and can in turn be related to national planning. Boundaries preferred for regional planning tend to reflect physical characteristics, such as river valleys, economic homogeneity or the complementarity of economic and other characteristics and may well be influenced by the sentiment of the people concerned. The boundaries of a region should normally follow those of field administration and local authority areas. The participation of technical services in planning and the implementation of plans by these services would be facilitated if planning and administrative regions coincide. But this gain needs to be balanced against more purely administrative considerations.

- 56. The administrative considerations in determining the size of regions are as follows:
- (a) In large, highly populated countries, especially those in which the central government administers direct services, a regional level may be needed to enable the central government to maintain effective relations with local operations;
- (b) In countries with a scarcity of first-rate administrators and technical personnel, able men placed at the regional level can strengthen field administration, whereas they would add to centralist tendencies if they were stationed in the capital;
- (c) Natural groupings of the population, based on linguistic and other cultural factors, often involve considerably more people than the unit designed to fit the requirements of most direct services and may provide a solid basis for integration of administration at a higher level;
- (d) Certain administrative measures, such as budgetary allocations among field administration units and local authorities, and certain relations, such as those with large-scale economic enterprises, with paramount chiefs of tribes and with major cities, are best handled at the regional level.
- 47. Regional boundaries, then, may well reflect the needs of both regional planning and regional administration. They may also appropriately take into account present or future development of representative government at the regional level. Reconciliation of the criteria for planning, administration and self-government has not proved easy in developed countries. In working out their own adjustments, developing countries may need to consider which one or two of these three uses of the region is of greatest importance at present and in the near future. A valuable basis for adjustment is to have, as mentioned earlier, planning regions consist of an aggregate of field administration or local authority areas.

Field administration areas

- 58. The Working Group on Decentralization reached the following conclusions with respect to the size and number of tiers of areas for field administration:
- (a) The central government should have common field areas and headquarters cities, at least at the regional level, rather than permit each ministry to choose its own;
- (b) The field areas chosen should be designed to meet, in so far as possible, the criteria of size that apply to the several direct technical services; these areas need to reflect adjustment not only among the direct technical services, but also between them and such other activities (e.g. revenue collection, maintenance of law and order and election administration) as the central government expects to have carried on through the common areas;
- (c) The larger the common areas (and so, the higher the tier of field administration), the easier will it be to choose area boundaries that accommodate the varying needs of the several technical services;

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- (d) The fewer the tiers at which area co-ordinators and representatives of technical services are formally required to adjust to each other under the dual-supervision principle, the less will be the friction and delay in the execution of programmes. Thus, as a general rule, there should be as few tiers as possible. Each tier increases the demands on the scarce supply of talented administrators and technical personnel and so tends to lower the quality of service. Multiplication of tiers beyond the necessary number increases the absorption of time in bureaucratic delays. A relatively small country or a state in a federal system should, therefore, consider whether the regional and sub-regional levels (or the sub-regional and district levels) can be merged without serious loss.
- (e) Administrative areas should, particularly in a developing country, be designed with the possibility in mind that in the future they may be transformed into local government units and that functions may be transferred from central to local governments. This process is currently taking place in India, Pakistan and the United Arab Republic.

Local government areas

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- 59. The Working Group on Decentralization agreed that local authority areas should be as large as may be appropriate for the functions they have to perform. Two levels of rural local authorities seem ideal: at the lower level, the authority should cover the largest area at which a sense of community exists and direct citizen participation in local services is possible; at the higher level, the authority should cover the largest area from which most technical services can be provided efficiently, but the area should not be so large that councillors cannot meet frequently. The latter authority should include rural and urban populations and, if practicable, have a town or city centrally located and serving as local authority headquarters.
- 60. Developed countries have found that local government areas that grew up in an earlier period have become too small for the performance not only of some traditional functions but more especially of the newer functions assumed by governments. They are frequently too poor to finance local services and too numerous for the central government to supervise and assist them. Arrangements for joint administration of services by two or more authorities are cumbersome. Often it has been politically easier to have certain of these functions performed by the central government with its larger area than to win local consent for the amalgamation of several small existing local authorities. This centralizing tendency suggests that developing countries might better assure the vigour of local government by fixing boundaries for larger, rather than smaller, local authority areas. Where this seems incompatible with the size of areas in which a sense of community exists at present, either the small areas may be made minor sub-divisions of the principal local government area, or the larger area may be foreseen as a future repository of powers that at first might be left to traditional communities.
- 61. The financial capacity to support the services appropriate to local government is important in the design of local authority areas but is secondary to the area requirements for performance of the technical services themselves. Financial capacity can be improved by grants-in-aid, by allocation of particular types of tax and by the success of development programmes. Assignment of tax sources and grants-in-aid may also be used, as it has been in some developing countries, to encourage the accumulation of power in that level of local authority which has the

areas best suited for development purposes. In contrast, the political and emotional appeal of established small local authorities in both developed and developing countries has served to perpetuate such authorities on a heavily subsidized basis. In Brazil, fragmentation of local authorities into small units has been encouraged by the practice of giving financial grants in the same amount to all local authorities regardless of size of area and population.

IV. AREA DIVISION OF POWERS AND FUNCTIONS

- 62. It is unlikely that the same division of responsibilities between headquarters and field units, between central government and local authorities or between the various local authority levels will be found suitable for any two countries. They are seldom the same in practice in all parts of any one country, owing to differences in the capability and needs of different areas and in the degree of technical supervision and support required for the various services. Moreover, the division of responsibility is likely to be constantly changing, and even where the government attaches great importance to decentralization, the change may not always be in the direction of more decentralization. Changes in policy or technology may induce more centralized administration, even the nationalization of a service that had previously been devolved upon local authorities.
- 63. Despite these differences and fluctuations in the distribution of powers and, to some extent, because of them, certain broad generalizations can be made regarding the delegation of authority to field units in ways that will be conducive to participation by the people in their programmes. Generalization is also possible concerning the nature of the powers and functions that can usually be devolved upon local authorities and also concerning methods of maintaining the responsibility of the central government for the achievement of national objectives where services of substantial national interest are devolved upon local authorities. There are well-defined methods of allocating power to local authorities with these various considerations in mind. We are thus concerned in this chapter with deconcentration or delegation as well as with devolution and especially with the narrowest margin of distinction between them.
- 64. It is generally accepted that when a central agency "deconcentrates" its power to field officers, there is no diminution of headquarters responsibility or authority: the field officers are subject to hierarchic supervision and their decisions can be reversed or modified as deemed necessary. This type of relationship clearly characterizes centralized field services such as customs and immigration. Relationships between headquarters and the field are not so clear-cut, however, in the case of technical services, in which field units are expected to encourage popular participation in their activities, to be responsive to local interests and needs and perhaps also to transfer some of their responsibilities to local authorities. At the other end of the scale, when the central government devolves powers upon local authorities, no hierarchic relationship normally exists; and yet, in the case of devolution of responsibility for technical services, means must be devised, consistent with the status of local authorities, to establish and enforce minimum standards of performance, to give the local authorities the technical support and financial assistance they require and to hold the central agencies accountable for the fulfilment of national goals in their respective fields.

Delegation and area organization

65. Certain general guides apply to the delegation of authority to field units in any organization. These may be made explicit in manuals of instruction and in

training materials, but they must eventually form part of the intuitive knowledge which young officers acquire mostly by working under experienced officers. For example, headquarters units must make clearly understood: the nature, extent and limits of delegated authority on programme, administrative and financial matters; the officer to whom authority is delegated; the matters or types of matters to be referred to headquarters for prior approval; the matters to be reported to headquarters periodically and the sensitive matters to be reported upon as they arise; and the desired relationships with other field units of central government, with local authorities and with the general public.

- 66. As indicated in Chapter II (para. 19), care must be taken that delegated authority is exercised by field officers as intended and not, in effect, retracted either by interference or unnecessary review from headquarters officers or by the exactions of highly centralized financial, personnel, supply and other regulations. The methods of supervision and control must be consistent with the degree of authority delegated. Where field units are expected to be sensitive to public opinion and to develop popular consultation, it is especially important to define, by means of regulations and training, the kind of popular participation which is required as desirable and to find ways and means of ensuring that field units genuinely achieve it without inhibition. Authority must be freely delegated to field units if they are to exercise it in consultation with the inhabitants of their area or to lay the ground-work for its devolution upon local authorities.
- 67. The area organization of field units and the channel of authority between headquarters and field units will substantially affect the form and nature of popular participation in field services, as well as the responsibility and control of technical departments over their field activities. For example, where technical departments have exclusive control over their field units, their responsibility is complete but the opportunities for co-ordination with other technical services and therefore of popular participation on a multi-functional basis are minimal unless the field services have common areas and maintain offices in the same cities. Where field services are brought together under an area co-ordinator, the opportunity for popular participation over a range of functions will be great, but responsibility of the central ministry may either be subordinated entirely to the area co-ordinator, if he "directs" technical services operations, or be shared with the area co-ordinator, if he has "administrative" direction of the operations of technical services at the area level and the central ministries have "technical direction" of the same services (often called "dual supervision").
- 68. Whatever role is assigned to area co-ordinators, the method of their selection will significantly affect their responsiveness to local opinion on the one hand, and to the central government on the other. For example, career civil servants whose assignments are changed frequently are more likely to have a bias towards centralization and to be especially sensitive to policies and regulations that reach them through formal organizational channels. Political appointees of central government, such as governors of states in Venezuela, provide a means of making field units more responsive to the popular will as expressed through political processes at the national level and perhaps also at the local level. Elected area co-ordinators, such as the governors and mayors in the Fhilippines, may be expected to have a more pronounced local bias and to be more responsive to local sentiment, although political and financial dependence on national leaders can make them sensitive also to the latter's programmes and interests.

- 69. Newly independent countries usually inherit a system under which career area co-ordinators have directed all field operations. The system is in many cases subject to pressure for change from three directions: from elected ministers, who want more direct control over their field personnel and operations and in any case do not want the latter subordinated to an officer whose primary concerns have been the maintenance of law and order; from party leaders and from the people locally, who associate the traditional area administrators with alien or oppressive rule and who want governmental representatives to be responsive to their interests; and from the area co-ordinators themselves, who are often unable to cope with the expanded services in their area or to provide the necessary leadership for development activities.
- 70. Where these pressures have been greatest, fundamental changes have occurred in the traditional position of the area co-ordinator (often called the "District Officer" or the "District Commissioner"). In Western Nigeria, for example, the post has been abolished; in Eastern Nigeria, it has been reduced to advisory and liaison functions with local government units; in Ghana, it has been replaced by a regional post filled by political appointment; in the Sudan and the United Arab Republic, it has been transformed into the office of chief executive of local authorities or something similar to it; and in India the area co-ordinator has been maintained as a liaison officer between the local authorities and the state and his role has been supplemented by that of officers drawn from the same cadre to serve as executive officers of local authorities.
- 71. The decision that a newly independent country has to take regarding the position of area co-ordinator is a crucial one in the division of power and functions on an area basis, and there are difficulties in providing guides for general application. 1/ The decision should be made in conjunction with a general plan for decentralization. Where the plan calls for direct administration of technical services by central government agencies, there is likely to be a continuing need for an area co-ordinator. The "dual supervision" arrangement, although potentially productive of friction, provides a method of taking account of the claims of area and functions. The arrangement works best (a) when central planning and budgeting operate well enough so that ministries, area co-ordinators and area technicians have the same understanding of the programmes that they are jointly executing; and (b) when area co-ordinators are professionally trained administrators who are selected under a merit system and who, through their ability and support of area requirements, are capable of winning the respect of technical officers serving with them. The arrangements need apply only to services which, because of their interdependence, require field co-ordination or to the need for coherency in the manner in which services reach the people.

Devolution of powers and functions

- 72. The powers and functions to be allocated to local authorities will depend in part on the country's system of decentralization and can only be decided by individual governments in the light of all the relevant factors previously mentioned. Certain general principles seem to have wide applications, however.
- 73. In the first place, functions that are plainly local in character, such as provision of drinking water, market facilities, community washing facilities,

^{1/} See chapter VI for personnel aspects of this problem.

community irrigation works and local strees, should be allocated to local authorities whenever possible.

- 74. Responsibility for functions should be placed at as low a level as practicable, subject only to the capacity of local authorities to discharge the responsibilities satisfactorily. The Working Group on Decentralization noted that certain activities, such as research and training, that affect devolved functions may best be discharged by central agencies and also that services requiring highly specialized skills, large capital investment or a relatively wide area organization usually cannot be devolved upon lower levels of local authorities.
- 75. In the case of technical services in which there is a national as well as a local interest, responsibility is often best divided between central and local government. The devolution to local authorities at the appropriate level should, however, be as extensive as possible, subject only to safeguards to ensure fulfilment of the national responsibility.
- 76. Finally, although arrangements should be made to ensure that the standards of performance locally do not fall below an acceptable level, the central administration should interfere with the operations of local authorities only to the minimum extent necessary. This will require adjusting the methods of central supervision to differences in the capability of the local authorities. Similarly, where a function is divided between authorities at different levels, the higher level should not, without prior consultation, undertake a service which can be properly performed by the lower tier.

Maintaining central responsibility for devolved functions

- 77. Various devices are available to enable central ministries to discharge their responsibilities for devolved functions in which they have an interest. The measures outlined below have proved effective not only in countries where local government is at a relatively early stage of development but also in some where local authorities are mature. Thus, even where local authorities have had long experience in the administration of certain technical services and have the necessary capacity, measures such as those described in the following paragraphs are still essential for the fulfilment of national programmes, the application of reasonably uniform standards, the attainment of equal opportunity for basic services and the achievement of other desirable objectives. These measures are classified broadly according to whether they are primarily positive, designed to lead local authorities towards the desired ends, or whether they are primarily for control purposes and possibly, at the same time, the basis for advice and assistance.
- 78. Positive measures include the following:
- (a) Formulating national programmes, with targets, timing and costs classified, in so far as practicable, on an area basis;
- (b) Issuing general directives and guides from time to time, including the setting of technical and other standards by circulars, handbooks and model ordinances;
- (c) Training local authority staff and, where advisable and practicable, councilmen in order to convey information and to develop their capabilities;

- (d) Providing technical help readily to individual authorities from field units or from central offices, upon request or as the need becomes clear;
- (e) Specifying minimum qualifications for technical and professional officers to be employed by local authorities, including for some categories, the possession of a certificate or licence issued by the central government.
- 79. Measures for purposes of control include the following:
- (a) Making on-the-spot checks from time to time and more formal inspections on a periodic basis, either by the individual technical ministries or by an agency with wider functions, such as a Ministry of Local Government;
- (b) Requiring special or periodic reports on progress, either in relation to specific services or projects or over a wider programme of work;
- (c) Controlling budgetary and other financial matters, including audit and the power to surcharge, to which reference is made in Chapter VII;
- (d) Exercising powers of default action that is, holding a council in default in the execution of a statutory duty and providing otherwise for its performance; revoking the authority of councils or dismissing individual councilmen and officials; or dissolving the council as a body (these powers to be applied, of course, only in extreme cases);
- (e) Approving by-laws above the level of the initiating authority. The central legislature should not, however, burden itself with this task. Approval at the ministerial level is sufficient and, in order to relieve the ministries, provision can in some cases be made for certain types of by-laws to be approved at the local authority level above that of the initiating councils. To avoid undue delay in approval action, it can be provided that by-laws take effect automatically if not disapproved within a specified period;
- (f) Applying judicial remedies, afforded by the judicial system in many countries, for actions of local authorities and their staff that exceed their powers or are otherwise contrary to law. These can serve as a supplement to, or in place of, central government approval of by-laws or ordinances and provide a means whereby citizens can also test the legality of local authority actions. Judicial remedies are, however, costly and time-consuming.
- 80. This list of positive and control measures may seem formidable, but the full range of these measures can be, and, in some countries, is, maintained without stifling the initiative and resourcefulness of local authorities or creating animosity between officials at different levels. Where these controls do not exist, local authorities have very restricted functions. The availability of controls facilitates devolution, particularly of responsibility for technical services. The more severe controls may seldom or never be used. As individual local authorities prove their abilities, controls can be relaxed on a selective basis. In Western Nigeria, for example, a local authority may, after several years of good audit reports, be freed from the requirements of seeking the Ministry of Local Government's approval of its budget and of submitting to quarterly inspection although the annual audit review continues. Local authorities differ in their capabilities and require different treatment by the central government.

- 81. The key to good relations between ministries and local authorities lies in the degree of understanding central government officers have for the problems confronting local officials. Much depends on good personal relationships and on the way in which advice or help is offered and controls are exercised. For example, field officers in direct touch with local authorities should help to relieve the burden on the latter of unnecessary reporting and other requirements.
- 82. Constructive measures should, of course, always be taken in preference to negative or punitive ones. The procedure for applying sanctions should be fully understood by all concerned and, to avoid abuse, should enable the official (or council) to defend himself and to appeal the action. Where sanctions become necessary, it is important that central government officers should apply them with full regard to the responsibilities of local authorities and only to the extent necessary in the national interest. For example, where a field officer becomes aware that a local authority is erring, he should in the first instance draw attention to the error through discussion and should recognize that a certain tolerance is required whilst devolution to local authorities is still a novelty. If, notwithstanding, he thinks the matter should still be pursued despite the explanation given to him, he should report it to the appropriate central government department, which can then consider what further action is needed. This will normally involve further discussion with the local authority. Corrective action, such as indicated in paragraph 79 (d) above, would normally be contemplated only after full justification for the action has been established.
- 83. There are certain matters, such as the control of malaria and of animal and crop pests and diseases, in which failure of a local authority to act may jeopardize a national programme. In these cases, special measures by the central government, such as regarding the council as in default and appointing others temporarily to perform the necessary duties, may be required to ensure that timely action is taken.

Methods of devolution

- 84. The method of devolving powers and functions to local authorities is a key element in the division of power on an area basis. It affects not only the nature of the powers devolved but also the degree and methods of central control available.
- 85. Governments now use one or more of the following methods in allocating powers to local authorities. One method is to authorize local authorities, constitutionally or by statute, to do anything for the good of the locality which is neither forbidden them by law nor within the exclusive jurisdiction of another governmental unit. This may be described as an "open-end" arrangement. This system has the advantage of enabling people locally to do almost anything that is necessary in the community's interest. It avoids apathy based on lack of authority to act. At the same time, it has obvious dangers where local authorities are in the hands of persons with little knowledge and experience and where there are serious shortages of technical personnel, since authorities may attempt projects beyond their capability or undertake the easiest or most spectacular functions while neglecting the most essential ones. It may also lead to confusion if the authority is granted to local authorities at different levels. Moreover, the "open-end" arrangement may provide higher authority with an easy escape from responsibility to the extent of leaving matters to lower authorities who may not

-28-

have the resources for significant achievement. Nevertheless, the arrangement can give local authorities at the lowest level flexibility to do what is required to meet local needs and can be especially useful when combined with other methods of devolution and with a programme of technical and financial assistance.

- 86. Another method is to allocate functions to local authorities by ministerial order pursuant to a basic statute which lists the functions which can be devolved in whole or part, the standards to be met prior to devolution of functions and the procedure for devolution. The basic statute may provide for the issuance of a warrant or instrument of authority to each local authority as it is constituted, including specifications of the functions that it can undertake immediately. As the local authority satisfies the central government that it can fulfil prescribed standards and is therefore able to discharge more functions efficiently, these are added to the warrant by ministerial order. This method provides a clear conceptual framework for the division of functions between central government and local authorities, a clear definition of what each authority can do and opportunity for progressive devolution as the capability of local authorities increases. It would thus seem especially suitable where local authorities are in a formative stage.
- 87. A third method is to allocate functions to local authorities by separate statutes, which can devolve functions outright or empower a minister to allot functions at his discretion. This system is widely used. With supplementary provision for additional delegation, it offers considerable flexibility. It may, however, be confusing and cumbersome to have functions devolved through many separate statutes and to have relations between central and local authorities subject to constant change by statute.
- 88. Another method is to treat local authorities as integral parts of the machinery of central government. This seems to be the practice in several countries which are in the early stages of evolution of the comprehensive local government system. In India, for example, central (in this instance, state) agencies have responsibility but must rely upon local authorities, rather than upon their own field units, for administration of technical services. In addition to performing functions devolved by statutes, local authorities are expected to carry out instructions from ministries. The degree of central prescription and control depends largely on the capability of the local authorities.
- 89. A final method is to contract with local authorities for the performance of certain services. This method of allocation, as applied in Colombia, is understood to be providing a constructive basis for control. The contract prescribes the services to be performed, the standards to be maintained, the reports required, the right of inspection and supervision by the central government, the terms of payment and other conditions. The dependence of local authorities on central grants induces them to enter into these contracts. Under these arrangements, functions may be allocated to all local authorities of a certain class or to individual local authorities.
- 90. With the exception of capital cities and other special areas, it is rarely in the national or local interest to grant powers by separate statutes to individual local authorities. Special legislation may be useful, however, for experimental purposes, i.e., to try out a proposal as a basis for framing legislation later that will have wider application.

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91. The classification of local authorities for purposes of devolution should be administratively significant and should be kept up to date. The factors to be considered will be the level of the authorities and their financial resources, technical capacity and experience. The level of the local authority may not alone serve the purpose if, as in Iatin American countries, local authorities at the same level differ greatly in size and capability. Fopulation is a common basis for classification and has the virtue of being relatively simple to apply and a guide to other significant factors. Financial capacity is important but differences can be equalized somewhat through grants. Moreover, if financial capacity is expressed in terms of revenues, the basis of measurement must be reviewed frequently. One country in the Middle East allocated functions in 1930 to local authorities by classes according to their revenues. With subsequent inflation, the original revenue figures were no longer valid measures of capability, but the law, remaining unchanged, required towns with as few as 4,000 inhabitants to provide hospitals and other major facilities for their inhabitants.

Channel for devolution

- 92. The channel for devolution to local authorities, where the devolution is not direct by statute, differs between countries. In some countries, the various ministries effect it with respect to the technical services for which they are responsible after clearance with a central office. In others, there is a single channel, for example, the Ministry of Local Government, the Prime Minister or the Council of Ministers. The Working Group on Decentralization agreed that there was no real need to centralize the issuance of instructions to local authorities. It is, however, important:
 - (a) To have a central office, such as the Ministry of Local Government, review proposed legislation and warrants in order to ensure that what is proposed is reasonably consistent with general practice and with existing relationships with the local authorities concerned;
 - (b) To ascertain that the local authorities will have the funds necessary to discharge adequately the duties it is proposed to devolve on them;
 - (c) To obtain the consent of the local authorities in cases where there is doubt about their financial or technical capability and especially where the proposed devolution will impose an extra financial burden on them; and
 - (d) To ensure that the subjects to be devolved and the extent of the devolution are set out in clear and simple terms.
- 93. The role of voluntary, non-governmental bodies may be important in the operation of certain governmentally supported services, for example, education. In such cases, prior consultation with these bodies may be important and it is desirable that instructions to them be issued from a high level.
- 94. Local authorities may occasionally feel the need for adjusting the functions devolved on them. One at a higher level may feel that circumstances call for devolving to an authority at a lower level some power which it holds. Sometimes a local authority feels that it should exercise powers held by a higher authority. To avoid unnecessary conflict among the authorities concerned and escape from responsibility by devolution, the decision on all such proposals should be made at a level higher than that of the local authorities involved.

-30-

95. Local authorities should be allowed to arrange by mutual agreement for joint administration of a service or for one authority to perform a function on behalf of another, but, as a general rule, local authorities should derive their authority directly from the central government and not by devolution or delegation from a local authority at a higher level.

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V. PARTICIPATION AND REPRESENTATION OF THE PEOPLE

- 96. An important reason for decentralization is to develop more effective popular participation in local affairs, including activities of the central government that are carried out locally. Such participation not only enhances the dignity of the individual and the sense of community at all levels, but also adds vitality to governmental programmes and provides a means for local control over them. It makes the programmes more responsive and better adapted to local needs. Moreover, through participation, members of the community may be induced to do more on their own initiative and to make a fuller contribution to government programmes.
- 97. The word "participation" is used broadly to refer to the role of members of the general public, as distinguished from that of appointed officials, including civil servants, in influencing the activities of government or in providing directly for community needs. It may occur at any level - from the village to the country as a whole. It may be only advisory, as in the case of an advisory committee to a minister, provincial governor or head of a hospital; it may involve decision-making, as in the case of governing bodies of local authorities; and it may extend to actual implementation, as occurs when villagers decide to carry out a community self-help project. The participation may be direct, as in community projects and in the work of private welfare organizations, or it may be indirect, through elected officials and representatives. In the latter case, the degree of participation will depend on the extent to which the election process makes the officials or representative bodies responsive to public opinion. Individuals may participate through non-governmental or statutory bodies. The latter may be concerned with only one function (special-purpose bodies) or with a number of decentralized functions (multi-purpose local authorities).
- 98. The extent of participation whether direct or indirect may be regarded as a function of communications in the broadest sense: good communication among people, especially within a community, leads to the identification of common interests and needs and to direct action to satisfy them. Good communication between the people and their government leads to responsiveness to national programmes on the part of the people and to local needs on the part of political leaders and public servants.
- 99. The problem of increasing participation by people in development programmes may therefore be viewed as one of improving communications. The obstacles to communication within a village may be a highly stratified social and economic structure resulting from concentration of land ownership or for other reasons; stagnation resulting from poor leadership and lack of contact with the outside world; or oppressive circumstances that have produced apathy and despair.
- 100. The obstacles to communication between people and their government may be due not only to these factors but also to physical barriers lack of roads, waterways or other easy means of travel; wide-spread illiteracy; linguistic differences which may separate even neighbours as in Southern Sudan where some 140 languages or dialects are spoken; differences in attitudes and outlook and in semantics which create gulfs even between people such as city and country

-32- /...

dwellers - who speak the same language; and defects in the system of representation which make the government less responsive than it might otherwise be to the views of all elements of the population.

101. A broad and varied approach is required to remove these obstructions in order to increase participation by the people in activities conducive to their own and the nation's development. The United Nations has conducted a number of studies of various aspects of community development programmes, i.e., programmes to stimulate self-help effort, to provide technical and material help to make such effort effective and to associate the people generally with government activities. 1/ This chapter reviews the administrative implications of such programmes. examines the use of special-purpose statutory bodies and methods of constituting the governing bodies of local authorities with a view to indicating the different ways in which participation by the people can be arranged and how these open up broader possibilities for decentralizing the administration of a service. Although the focus is on arrangements for popular participation outside the national capital, these are inevitably affected by the nature and degree of participation and representation of the people in the national government. Indeed, in the smallest countries, effective representation and control by the people at the central level may, together with special arrangements for participation locally in centrally administered services, render rural local authorities above the village level unnecessary.

102. The emphasis is on structural aspects of direct and indirect participation, but it should be borne in mind that the attitude of governmental leaders and civil servants at all levels is of crucial importance. (This aspect is discussed in Chapter VI.) Popular participation at the local level cannot grow in an atmosphere of either arrogance or paternalism. It flourishes best where those exercising public authority at the highest level are themselves broadly representative of the people and understand the value of participation by people at all levels of government.

Community development and other voluntary efforts

103. People are usually willing to co-operate with one another to satisfy their mutual interests and needs. They may be inhibited from doing so owing to obstructions in communications or for other reasons. But it can be assumed that the will to participate in the betterment of the community or in the pursuit of other common interests is ever present and that, where circumstances are favourable, it will find expression spontaneously or through outside stimulation.

Public administration aspects of community development programmes

(Sales No.: 59.II.H.2); Community development and economic development:

Part I - A study of the contribution of rural community development programmes to national economic development in Asia and the Far East (Sales No.: 60.II.F.6/Fart I); Approaches to community development in urban areas.

Notes on recent experience in twenty-four countries and territories, documents ST/SOA/SER.0/32 and ST/TAO/SER.D/32; and Community development and related services /Reprint from the Official Records of the Economic and Social Council, Twenty-fourth Session, Annexes, agenda item 4, document E/29317.

- 104. An important test of any programme of decentralization is the freedom it allows for the expression of the will to individual and community betterment, its encouragement of positive measures to stimulate and abet its expression and the restraints which it imposes to protect the public interest.
- 105. In some countries, non-governmental organizations have been forerunners of government action in specialized fields, such as social welfare, education and health, and can often usefully supplement government effort. Where they are subsidized by the government to provide such services, they pose special problems of decentralization, for example the problem of determining the relationship of these organizations to the government, of selecting the organizations that are to receive grants and calculating the grants, of setting and maintaining standards and of imposing sanctions if standards are not maintained. 2/ Although some of the generalizations regarding relationships of central technical agencies to local authorities are applicable also to relationships of central or local government agencies with non-governmental organizations that perform technical services, the distinctive problems of the latter merit separate study.
- 106. "Voluntary" action at the village level may be rooted in the community's social organization, customs and communal ownership of lands, with sanctions, not unlike those available to local authorities, applied for failure of members to contribute their services. These traditional organizations, especially those which choose their leaders and reach decisions on the basis of a wide consensus of the adult members of the community, may be useful for introducing new ideas and practices, effecting community improvements and associating the people with government programmes of technical services. In such cases, local leaders may need training for their new responsibilities, but if the customary form of organization

The following are some guides formulated in Uganda for the use of grants-in-aid to associate non-governmental agencies with the government's social welfare programme: (a) the agency must, in order to qualify for aid, be active for two years before applying, satisfy certain minimum standards and perform an essential social service, i.e., one which fulfils a function within the Government's programme and which the Government would otherwise have to provide entirely at its own expense; (b) a grant to a non-governmental agency is not an annual entitlement but is dependent on an assessment of whether it has fulfilled the intended purpose and whether it would continue to be useful; (c) a grant is made for a specific purpose which may not include all activities of such an agency; (d) an aided agency must submit an audited balance sheet and a detailed estimate annually; and (e) grants for capital expenditure are not made from the amounts available for subventions to non-governmental agencies. Report of the Expert Group Meeting on the Organization and Administration of Social Welfare Services, held at Abidjan, Ivory Coast, April 1962 (E/CN.14/169). This Report stresses the importance of close consultation between government and nongovernmental agencies at national and local levels, leading to supervision, advice and assistance by the government to the extent necessary to ensure that minimum standards are maintained and national policies observed in the administration of aided activities. The report also notes the use in some countries of legal measures, such as requirements for registration or licensing of non-governmental agencies, to enable the Government to protect the public interest (e.g., against dishonesty) in their operation.

can be adapted to perform new functions, while continuing to perform important traditional ones, it may be an element of strength in the national structure and merits treatment accordingly.

- 107. Where the customary organization cannot be adapted to new functions or is virtually non-existent, community development methods can be applied to bring people together for the furtherance of their common interests and in due course to give new vitality and form to community organization.
- 108. Community development programmes provide the means for stimulating people to do what they can for the betterment of themselves and of their communities, whether through traditional or new community organizations. All programmes have the following requirements:
 - (a) Village level workers to induce self-help effort. They are the key elements of a programme. The area coverage of paid village level workers depends on the functions they are expected to perform that is, whether solely functions involved in stimulating self-help or also technical functions on behalf of one or more technical services, and also on the availability of voluntary leaders and workers within the communities. In some countries (e.g., Ceylon and Jamaica), there are enough experienced community leaders to render paid general purpose workers at the village level unnecessary;
 - (b) Community education materials and facilities for training village level workers, community leaders, technicians and administrators in community development methods;
 - (c) Timely technical and material help to make the will to self-help effective. This calls for liaison with technical agencies and, often, special arrangements to help communities build community facilities;
 - (d) Institutional means, such as local government and co-operatives, to maintain facilities and support activities initiated through self-help effort. Local government may itself be the source of technical and material support of community self-help projects; where it is expected to maintain such projects, its advance approval will normally be required.
- 109. The extent to which national leaders actively support the community development approach to public administration and social and economic development will substantially influence the nature and scope of community development programmes.
- 110. The United Nations study entitled Public Administration Aspects of Community Development Programmes classifies programmes broadly into three types for purposes of administrative analysis, as follows: 3/
- (a) Adaptive-type programmes: those that are nation-wide in scope but limited for for the most part to the catalytic function of stimulating the self-help effort of the people and to liaison with the technical services for support of such effort. They are termed adaptive-type programmes because they can be attached to almost any department and otherwise adapted to the prevailing organization of government;

^{3/} Op.cit., pp. 5-9.

- (b) Integrative-type programmes: those comprehending not only the general catalytic function at the community level but also the co-ordination of technical services at all levels and the nation-wide extension of these services in ways that will be coherent at the level at which they reach the people and will elicit their understanding and active participation. They are termed integrative-type programmes because of their special organizational features. Administrative responsibility for such a programme is best placed either in the office of the chief executive or of a "neutral" ministry, i.e., one that does not have responsibility for a major technical service.
- (c) Project-type programmes: those that are multi-functional but are confined to certain areas of a country. These programmes often develop, in the absence of a nation-wide general purpose programme, from the independent effort of a technical service to organize communities in a given area for the furtherance of its particular programmes. Experience has proved that these single-purpose programmes must, if they are to be effective, take on or attract related technical activities. Project-type programmes have also been organized to foster development of special ethnic groups or regions.
- lll. These different types of programmes have distinctive public administration problems, which are analysed in the study to which reference has been made. They can also influence the form of decentralization in a country. The integrative-type community development programmes have been forerunners in a very real sense of the comprehensive local government systems being established in India, Pakistan and the United Arab Republic. Directly or indirectly elected bodies with statutory authority have been established where only informal community development committees existed. The new local authorities provide the institutionalized means for consolidating many of the gains brought about through community development activities, but they do not necessarily displace these activities. Village level workers can usually still perform useful functions, serving as channels of information for community education purposes, as catalysts to bring together people with common interests, as a stimulus to self-help effort and as an aid to local authorities at the village level.
- 112. Similarly in the Philippines, the integrative-type programme led to more concerted effort among representatives of technical services and local authorities at provincial and municipal levels and also to the granting of local authority status to <u>barrios</u> (villages).
- 113. Adaptive-type programmes in some countries in Africa South of the Sahara and in the Caribbean have developed hand in hand with efforts to improve local government and, in some cases, have assisted technical services in gaining popular participation in their programmes.
- 114. The following guide, based on the experience of countries with nation-wide community development programmes, may be useful in organizing people locally for community development purposes:

"General purpose committees of other bodies may be utilized successfully as instruments of community development at levels where statutory local bodies do not exist or as means of effecting basic changes in local government, but they are likely to fail if they exist alongside

-36-

statutory bodies and there is no pre-conceived plan to relate them in a meaningful way to local government." 4/

115. The Asian Seminar on Planning and Administration of National Community Development Programmes made the related point that where local government institutions exist only at a higher level, ad hoc bodies may be effective in the villages. "These ad hoc bodies should lay the foundation for local government which is considered essential for the successful operation of a community development programme." 5/

Popular representation through local authority councils

116. General meetings of villagers, although suitable for achieving a consensus on community development activities and also for ratifying certain decisions of a council (e.g., those involving the contribution of labour for minor communal services) or for correcting actions of the council, are seldom adequate as the sole governing body of a local authority. A representative council, locally elected or otherwise locally selected, is usually needed for making day-to-day decisions on community affairs. The existence of councils permits the selection of the more qualified individuals to serve as community leaders, encourages the development of their skills through training and experience and fixes responsibility for custody of community property and management of community affairs.

117. Representation of people through local councils is viewed in this context as a special form of people's participation. It is more formal, it has legal backing and it involves the principle of election. A "representative" body may contain nominated or co-opted members so long as the elected element is not unduly diluted. Representation is necessary at levels away from the villages and is the only practical method by which large numbers of persons can effectively participate in the processes of advising, decision-making, implementation and control.

118. The "representativeness" of councils and, thus, the extent to which the councils can serve as instruments for popular participation in the administration of technical services is affected by the method of electing representatives to councils. This includes the qualifications of electors and their comprehension of the system of elections, the determination of constituencies, the procedure for nomination of candidates, the methods of voting and the basis, if any, for representation of minorities. Where large segments of the population are in effect disenfranchised, through, for example, inequitable districting or property, literacy or similar qualifications for voting, the councils may not be the most suitable or effective means for the purpose. Measures to increase the representativeness of local councils in such cases through redistricting, the addition of members at large or widening of the franchise may be an essential step in decentralization of major responsibilities to local authorities.

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^{4/ &}lt;u>Toid.</u>, p. 52.

^{5/} Report of the Asian Seminar on Planning and Administration of National Community Development Programmes, ECAFE, 5 September 1961, p. 22.

- 119. There is need for the systematic recording and analysis of experience with councils composed in different ways in order to provide more reliable guides for the composition of local councils. Information is needed on the effects of different methods of electing councilmen, e.g. directly by the people, either at large or on a district basis, or indirectly by councils at lower levels or a combination of the two methods. The effects of contested elections on the working of local councils under different circumstances (e.g. in countries where national political parties are involved in local elections) remain to be determined. There is one view that elections at the village council level should as far as possible be unanimous so that they do not leave estranged feelings or bitter rivalries in their wake. 6/ An extension of this view is that local leaders should be selected on the basis of their stand on local - not national - issues. The involvement of national politics in local elections aggravates the bitterness and factionalism that result from contested elections. In Rajasthan, a block grant of four annas per person is made to villages in which panchayat (village council) elections are not contested.
- 120. Another view is that where there is a two-party or a multi-party system, political parties cannot be expected to keep out of local elections: their survival may depend upon participation. Moreover, without political party links between the national government and local authorities, the latter would be insulated not only from politics but also from the financial and technical support of the national government unless these are automatically ensured by other means. Political parties also serve to educate the people and to stimulate them to act directly or through their government for the betterment of their conditions prime reasons for decentralization.
- 121. It cannot be assumed, however, that contested elections within a two-party or a multi-party system are always the best means of achieving a wide consensus on public policies while at the same time keeping open to society the possibility of alternative courses of action and leaders. They may also result in control by a minority that is unresponsive to the needs of other elements of the population. Moreover, multi-party systems can create such confusion as to minimuze the official's sense of responsibility to the public and the public's ability to hold elected officials accountable. As a consequence, in countries such as the United Arab Republic and Yugoslavia, forms of representation that do not depend on competition between parties and other means have been devised with a view to keeping government responsive to the general public.
- 122. Provision for minority representation in local councils and for co-optation to council committees and the requirement of an extraordinary vote for the adoption of measures by local councils are other means being tried to widen the consensus and to protect minorities where there are two or more parties. Where the elections themselves are designed to achieve substantial unanimity, the effect may be to shift the contest for power to less public processes and so to reduce popular participation in the real decisions.

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^{6/} India, Government of Rajasthan, Cabinet Secretariat, Evaluation Organization,
A Report on the Panchayat Elections in Rajasthan, 1960 (Jaipur, India,
August 1961), p. 19.

123. The size of a council will necessarily affect its representative character and method of operation. It is erroneous to assume that popular representation in a council increases as the number of council members increases. At some point, the council's size will have an adverse effect upon both representation and effective operations. If it becomes so large as to be unwieldy as a body, it must necessarily work through committees.

124. Committees may also, of course, be useful - even where councils are not too large, because they permit members to develop more specialized knowledge and to associate interested citizens more intimately with their work.

125. It is the council itself, however, which must determine policies and formulate programmes of work. Although recognizing the value of committees, the Working Group on Decentralization favoured vesting responsibility for administration and implementation of council policies in a chief executive who should work under the close scrutiny of the council and its committees. It agreed that where the merit system of recruitment to local government services was well established, "the chief executive could with advantage be a career officer". More will be said in chapter VI regarding the position of chief executive of local authorities; here it should at least be noted that in many countries the chief executive is elected by the people or by the council from among its members.

126. A career executive officer may, of course, serve under an elected mayor, but a noteworthy inference from the Working Group's discussions is that popular interests are not necessarily best represented and served by election of the chief executive of rural local authorities or by the division of legislative and executive power which often accompanies the direct election of the chief executive. The relative merits of these and other types of arrangements for administration and the circumstances favouring each need to be elaborated through further research. A point worth noting, however, and one which some countries have learned only after bitter experience, is that election of officials other than councilmen (and perhaps the chief executive) of local authorities not only makes effective administration of services more difficult but also results in less - not more - control by the people of their government. The reasons for this are generally recognized. For example, the greater the number of administrative posts filled by election, the less the voter is able to distinguish between the merits of candidates and the less he is able to fix responsibility for action or inaction on the part of those elected. Moreover, qualified candidates are less likely to present themselves for election than for appointment.

127. Co-optation of persons with special knowledge or skills to committees or ad hoc bodies of the council and, as a temporary measure, nomination of officials to the council or its subordinate bodies may enable a council to undertake more responsibility for technical services than otherwise. Co-optation should not be to the council itself. One view holds that co-opted members of council committees should not have the right to vote, as this would impair the representative character of the elected bodies. Another view is that co-opted members of committees should not exceed one-third of the total membership but should have the vote. Otherwise, their role would resemble that of consultants and advisors rather than members warranting special statutory provision. Moreover, the council should know whether a committee's advice is unanimous or only a majority view in case co-opted members disagree.

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- 128. Appointment of civil servants as council members is undesirable. Where the experience of council members is extremely limited, however, appointment of employees of a higher local authority or of the central government may be necessary in order for a rewly established council to transact tusiness and to discharge its responsibilities. Often, the same end can be achieved by providing that officials shall attend meetings and give advice without being members or, if members, without voting. Employees of a council should never be appointed as members of that council. Appointment of members should be kept to the absolute minimum and they should be withdrawn at the earliest opportunity.
- 129. Appointment of non-officials to local councils is also undesirable not only because it dilutes the representative character of the council but also because it often leads to discord between elected and appointed members. The case for nomination of non-officials usually rests on the argument that educated persons capable of strengthening the council are unwilling to submit themselves to the hurly-burly of election. However, it is not sufficient that a person has the capacity to serve; he should receive his mandate to serve from the people and be willing periodically to subject his actions to their judgement through the ballot box.
- Nomination to secure representation of minority groups as a temporary measure stands on a somewhat different footing. Representation of minorities on local councils may be arranged by: (a) nomination; (b) election by an electorate composed of the particular group; (c) election of such a representative by the general electorate; or (d) contest of candidates at a primary election limited to members of the particular group, followed by election by the general electorate. Only where the minority itself or the special arrangement for representation is a temporary feature is the first alternative nomination desirable. The second alternative will tend to segregate minorities permanently. The third alternative seems the most suitable if the nominating procedure gives members of the group concerned an effective voice in selecting candidates who will appear on the ballot. The fourth alternative could also have satisfactory results, but it is costly and cumbersome.
- 131. In a multi-tier system, higher tier councils could be constituted by direct election or indirectly by having the lower units either send a member to the higher council or meet as a joint electoral college to elect the higher council. There is not enough information to assess the relative merits of the different systems. However, where a higher body must supervise, co-ordinate or work through lower units, indirect election by the lower bodies of at least some members of the higher body has some merit. 8/ The representatives

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^{7/} The terms "nomination" and "appointment" are used interchangeably, except where in context "nomination" refers to the presentation of a candidate for election.

^{8/} The Cambridge Conference on Local Government in Africa, held at King's College, Cambridge, 28 August-9 September 1961, opposed the "pyramid" type of relationship between councils at different levels and favoured direct elections to councils at all levels. See Cambridge University Overseas Studies Committee, Summer Conference on Local Government in Africa (Cambridge University, 1961).

of lower bodies could provide useful liaison between the higher and lower bodies and could contribute towards harmonious working relationships. Much the same result can be achieved, however, through direct elections to the higher council, especially if the constituencies for some seats in the higher council are much the same as local government areas.

132. Whether this principle should be applied to link central legislatures more closely with local councils is another matter. Generally speaking, in order to make the central legislature more representative of the people, its members should be directly elected by the people. In Yugoslavia, all members of the republic and federal assemblies are ex officio members of municipal assemblies; they must inform the voters periodically on their work in the assembly to which they were elected and they can be recalled by the voters according to procedure established by law. In most states of India, members of the state legislatures and of the Federal Parliament are ex officio members of what is in most cases called the zila parishad, the local authority council at the highest level in their constituency. Experience there suggests that such ex officio membership may be useful but should not carry with it the right to vote in the local councils. Further study is needed on the implications, from the standpoint of administration and of popular participation in administration, of allowing members of the central legislature to be ex officio members of local councils or to run for election to local councils and to hold both offices simultaneously.

Special-purpose bodies

- 133. In addition to multi-purpose local authorities, there are two types of special-purpose bodies at the local level: the special-purpose local authority and the local representative body which exercises functions devolved by a national agency.
- 134. The special-purpose local authority, which is not to be confused with a committee of a multi-purpose local authority council, has separate legal status. It is usually the result of initiative taken locally to solve a special problem, usually one affecting either a segment of the population of a local authority area or two or more local authority areas. An example of the former would be a special irrigation district which is constituted and directed by the farmers who will derive benefit from it. Such special authorities may be the institutional outgrowth of community development activities in certain fields and may eventually be absorbed by multi-purpose local authorities if the functions involved take on a general public character. An example of a special-purpose local authority comprehending two or more local district authority areas is a water district which is governed by a board or commission consisting of representatives of the local authorities concerned. These special-purpose local authorities widen the alternatives available to people locally to solve their problems through substantial reliance on their own initiative and resources.
- 135. The second type of special-purpose statutory body a local representative body which exercises functions devolved by a national agency is widely used in a number of different fields. In Burma, there are some thirty advisory committees for as many central agency activities (e.g., State Agricultural Marketing Board and State Electricity Board) in the same district, most of them with a statutory requirement that they meet monthly with the District Officer. A review is being made with a view to reducing the number of these bodies. In

the United States of America there are also a number of such special-purpose bodies linked with national agencies, especially in the field of agriculture (e.g., Scil Conservation Districts, Rural Electrification Co-operatives, Irrigation Districts and farmers' associations linked with the work of the Agricultural Extension Service); the problem has arisen of how to keep the governing bodies of these special-purpose bodies representative of the farmers involved and how to persuade those farmers who need the most help to participate. The nationalization of health services in the United Kingdom (in which the health responsibilities of multi-purpose local authorities were transferred to regional hospital boards and executive committees for medical services composed of both medical practitioners and representatives of the public) illustrates how special-purpose bodies may in some cases provide for participation and control by the people of a technical service, the area and other requirements of which cannot be adequately met through multi-purpose local authorities.

- 136. The Working Group on Decentralization; acknowledging that special-purpose bodies clearly meet important needs, agreed that they are no substitutes for multi-purpose local authorities with wide powers to advise, take decisions and implement a programme designed to meet local needs and to perform such tasks as may be required on behalf of most technical services. It felt that special-purpose bodies at the local level are justified only in cases where local representation in the administration of a service is desirable and when conditions such as the following exist:
 - (a) The local council does not possess the technical ability to administer a particular service;
 - (b) A programme requires such an intensity of effort that the local councils are not expected to be able to devote sufficient time and energy to it;
 - (c) The service has special area requirements for administration which differ substantially from local authority areas;
 - (d) The service affects a small segment of the community and it is in the public interest to have a form of representation that differs from that of the council.
- 137. The local representative body of a nationally organized special-purpose body may be constituted in various ways, depending largely on the responsibility of the body for administration and on the representation required. For example, in cases where the local body has some administrative responsibility for a service, it may consist of: (a) experts appointed by a central authority; (b) experts and also representatives of the general public or of special interests appointed by a central authority; and (c) experts and representatives of special interests appointed by a central authority with representatives of the general public selected by the council of the local authority.
- 138. All or some of the experts or representatives of special interests may, instead of being appointed, be elected by professional or special-interest associations. Where the local body has only advisory functions, it is likely to have a greater proportion of representatives of the general public selected by local councils or of professional and special-interest groups selected by the groups concerned. Needless to say, the experts should be fully qualified and the special-interest representation should not be allowed to develop into a vested interest.

139. Special-interest groups and special-purpose (statutory) bodies can become so numerous as to produce fragmentation in administration and community organization and prevent effective public participation and control. A report on community development in Saskatchewan, for instance, states that:

"Most of our communities have become veritable nightmares of overlapping and underlapping special-interest groups. As a consequence, there is no sense of the 'whole' community. Furthermore, these special-interest groups are often holding at bay equally underlapped and overlapped agencies which 'jab' at the community with the alleged intention of improving the standard of living. Anyone who has studied this situation will agree that such organized community dissection must have disturbing consequences. The result is a 'built-in' tendency for communities to operate well below optimum." 9/

140. Special-purpose bodies should be subject to control and constant review by units of general government at appropriate levels. Co-ordination of these bodies within a multi-purpose local authority area may be improved if the council is represented in the special bodies and if the special bodies are represented on the appropriate committee of the council where there is a committee system.

Participation and representation of special ethnic groups

- 141. A special problem of popular participation exists among special ethnic or tribally organized groups, such as nomadic groups, which are found in most developing countries. The problem is whether and to what extent use should be made of the tribal organization as an instrument for performing local services, for representation in local authority councils and other bodies and for gaining participation by the people in development activities.
- 142. It is extremely difficult to generalize, because tribal groups differ greatly in size, organization, function, degree of physical, linguistic and cultural isolation, legal status, hostility to outside contacts and so on. Moreover, a controlling factor is the Government's policy with respect to assimilation of the groups into the national life that is, the nature, extent and speed of assimilation.
- 143. The Working Group on Decentralization, while recognizing these differences, identified circumstances which help to narrow the alternatives with respect to forms of participation and representation of tribally organized people. Wide use is made of tribal organizations on a non-statutory rather than statutory basis. For example, tribal leaders and tribal machinery for consultation may readily be used as the channel for participation of the people in community development activities. Tribal chiefs may receive special training to enhance their contribution in community development programmes and the best village level workers will probably be tribal members who are on good terms with the chiefs. Giving the tribal organization statutory recognition in any form is a more delicate proposition and the practice varies widely, depending in part on circumstances.

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^{9/} Saskatchewan. Centre for Community Studies. <u>Developing Saskatchewan's</u>
community resources. <u>Saskatchewan approaches community development:</u>
prerequisites for a social technology (Saskatcon, Saskatchewan, 1961), p. 12.

- 144. Where tribes are physically isolated and their leaders have the support of the people, as in many Pacific islands, it may be possible to develop statutory institutions in line with the traditional ones, channeling new ideas initially through the traditional organization and allowing the new forms of organization to grow out of the old for the performance of new functions. Where the tribal leaders are losing their influence among the people, as in the Sudan, owing to their failure to take the lead in meeting economic and social needs, modern forms of local government might be introduced, the tribal leaders being given representation on the councils.
- 145. Where different tribes are inextricably mingled or where non-tribal groups have effectively established themselves in the same area as tribal groups, difficulties in relationships will inevitably arise. For example, in certain areas there seems to be a well-recognized practice that new tribes penetrating an area accept the authority of the tribe with traditional rights. But this may not always remain so as the newcomers become substantital in numbers. Moreover, non-tribal groups, as their number increases, are not likely to forego their rights to representation and participation in favour of a tribal organization. In such cases, assimilation of the tribal organization into the structure of local government must be attempted in a conscious and methodical manner with due regard to tribal aspirations and susceptibilities. While a tribal organization may be left free to regulate, subject to law, the personal affairs of its members, local authorities should be established and developed, utilizing tribal organizations and leaders to the extent possible. Where tribal leaders are conscious of the wind of change and are in the forefront of progress, they will be the natural representatives of the people on local councils and will contribute impetus and popular support to development programmes. It may often be desirable to provide a special place in the local councils for local tribal chiefs for as long as they are able to maintain the respect and support of their group.
- 146. In Western Nigeria, chiefs form an integral part of the structure of the regional government (the House of Chiefs alongside the elected House of Assembly) and of local authorities (e.g., a chief may serve as ceremonial president of a council whose chairman is an elected member), and many are in the vanguard of social and economic change. People normally follow the positions taken by chiefs, but the views of the chiefs are usually expressed only after wide consultation and thus tend to reflect the consensus of all concerned.
- 147. The Working Group on Decentralization, recognizing the need for additional insights into methods administering public services and providing representation in local councils for nomadic and other special ethnic groups, recommended that the United Nations undertake a study of the problem.

-44-

VI. STAFFING LECENTRALIZED SERVICES

148. Staffing is the most vital element of any programme of decentralization for development purposes. A Government may organize effectively for decentralization, mark out optimum areas for administration, allocate functions rationally between units at different levels and arrange for popular participation and representation in the programme; but the success of the programme will, in the end, depend largely on the availability of qualified staff for sustained work in small towns and rural areas, the rapport between the staff and the people, the ability of staff members to work effectively together and the administrative as well as technical support and supervision they receive.

Staffing problems

- 149. The following major problems confront developing countries which seek to fulfil these requirements.
 - (a) They are likely to suffer from critical shortages in the number of of personnel that are both technically competent and able to work effectively with rural people. Faradoxically, there is at the same time in some countries an excessive number of public employees, owing to nepotism and the use of public employment to lessen unemployment.
 - (b) It may be difficult to find qualified staff willing to work in the remoter areas because of the natural attractions of work in the capital city and other urban centres, because of the higher salaries and prestige traditionally attached to work at headquarters and because of the lack of amenities, such as good schools, housing and medical and recreational facilities, in rural areas.
 - (c) There may also be a lack of community leaders capable of helping the local people to understand the usefulness of skills for which they should be trained and of guiding and supervising technical and administrative activities carried out locally.
 - (d) It is also difficult to escape from the traditional paternalism or authoritarian relationship between government servants and people. This is often reinforced by the habit of officers expecting deference and of being given it. Where paternalism has developed in extreme form, it obstructs popular participation in Government, undermines the will of local representatives to take decisions and thereby retards the process of devolution.
 - (e) Serious problems also arise where there are differences in pay and allowances between field representatives of different agencies working in close association and where substantially higher salaries are paid to officers of central government compared with those of officers of local authorities collaborating with them.

150. Although this chapter deals only with the distinctive personnel requirements, problems and measures relating to decentralized services and units of government, it should be noted at the outset that all staffing problems of government in developing countries usually apply not only to the main urban centres but with equal or greater force outside them. For example, low salaries may cause field as well as headquarters personnel to look to additional employment 1/ or to bribes or other corrupt practices to solve their financial problems. Adequate salaries, promptly paid, 2/ will reduce the propensity to accept gifts or fees. Similarly, other nation-wide measures for improvement of the quality of personnel - such as the creation of a career service, with recruitment and promotion on the basis of merit, a common classification and common pay scale for all departments at central and local levels, in-service training, a pension system, legal protection against political interference with the tenure of office of civil servants and the prohibition of their participation in political activity - will have beneficial effects throughout a country. 3/

Staffing measures that apply to all forms of decentralization

- 151. There are a number of measures for dealing with the distinctive problems of staffing decentralized services which are applicable regardless of the system of decentralization. 4/
- 152. In the field of training there are six essentials:
 - (a) Pre-entry and in-service training of technical and professional personnel should be adequately provided and on-the-job training should be encouraged and assisted by central inspection services;
 - (b) Facilities for training auxiliaries who are from the rural areas to be served should be established in the rural environment itself:
 - (c) There should be more emphasis in training for the cultivation of attitudes conducive to effective administration, to working well with people and to stimulating individual and group activities:
 - (d) Instruction in the use of audio-visual aids is essential;

-46-

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^{1/} It is understood that in one latin American country forestry and veterinary officers could not afford to spend much time on their government jobs. Their pay was so low that they were forced to supplement it by private work.

^{2/} Village workers in an African country were frequently unable to pay their bills because their salaries were in arrears. This was so common that shopkeepers denied such workers the credit normally extended to private citizens.

For the elements of a good civil service system, see A Handbook of Public Administration (United Nations publication, Sales No.: 61.II.H.2).

^{4/} Chapter VIII discusses special institutions for local government training.

- (e) Information should be conveyed on the processes of rural development and the interrelation and interdependence of the various elements;
- (f) Officers who receive training at the expense either of the government or international organizations should be required to accept employment for a certain period at such field posts as the government may determine or with local authorities. 5/
- 153. In the structure of the civil service there are four desirable objectives:
 - (a) There should be a career system under which young people would be started in rural areas, aided in their further professional development and assured of advancement for meritorious service.
 - (b) There should be a system of rotation whereby officers are transferred to more congenial employment after a fixed period in hardship posts. Similarly there should be rotation between the most and the least attractive posts in such a way that fairness to the individual is also conducive to the continuity of programmes.
 - (c) Professional personnel in rural areas should have effective contact with the larger world. Visits and periodic conferences can be encouraged by the central authorities to convey information, to learn of difficulties encountered in implementation and to maintain morale. Regular staff meetings, refresher training courses, visits to other areas, permission to attend professional meetings, maintenance of small libraries and a constant flow of professional literature develop the professional knowledge of the individual and counteract the feeling of isolation.
 - (d) National leaders should make every effort to enhance the prestige of rural work.
- 154. Financial measures are also possible to counteract the disinclination of individuals to accept appointment in remote areas:
 - (a) Special allowances, such as grants for the education of children outside the area, where necessary, and additional pension credit may be given for service in hardship posts. In the USSR, for example, extra seniority credit and two additional weeks of vacation with free travel are granted for service in the arctic region.
 - (b) Salary scales and allowances should be adjusted if necessary to eliminate any financial advantage from working in the capital and also to eliminate differences in compensation between agencies.

In Burma, doctors must spend three years in rural service; in Venezuela, one. In Foland and Yugoslavia, local authorities as well as the central government confer scholarships and require from two to five years of service upon completion of education. In Western Nigeria, the courts have opposed such conditions on scholarships, whereas in India the courts have ruled in their favour so long as the period of service is fixed and agreed upon.

- 155. There was a suggestion in the Working Group on Decentralization that it is dangerous to generalize on the effects of similar or disparate conditions of service between headquarters and the field or local authorities. It was pointed out that there are places where people in the field are happy despite the fact that their conditions are poorer than those of headquarters personnel and also places where, although pay has been equalized, people will not accept rural assignments without additional incentives or disciplinary measures - including the threat of dismissal. Except for cost-of-living allowances, special allowances might even be given only when necessary in individual cases rather than applied uniformly to all posts in an area; the special allowance can then be dropped if and when the person can be replaced by someone who does not require it. A reverse trend - toward work in rural areas - seems to be developing in Western Nigeria, owing perhaps to the high cost of living in the capital. As development progresses in rural areas with the establishment of schools, a convenient and safe water supply and other amenities - work in these areas becomes more attractive. Moreover, with mass education and on-the-job training, there is increasing competition among young people for jobs.
 - 156. Although the problem of special allowances is normally associated with field personnel of national agencies, it also arises with local authority staff, especially in comprehensive local government systems. In Yugoslavia, for example, local authorities may, under contract, pay special amounts to teachers, engineers or other technical personnel when they find difficulties in recruitment.
 - 157. Further research is needed to gain some insight into measures that will not only induce technically competent persons to work in areas remote from urban centres but will also cause them to derive adequate satisfaction from this work and to develop a sympathetic understanding with people in the area. In Senegal, a wide variety of attempts is being made, including the improvement of rural facilities, the enhancement of the prestige of rural work, the revision of school curricula to emphasize rural subjects and arrangements for students in cities to aid in literacy campaigns in rural areas. Moreover, consideration is being given to granting short-term contracts instead of civil service status to technicians who require salaries and other conditions of service for work in rural areas which provide a level of living beyond the reach of inhabitants in the area.

Alternative approaches to staffing problems related to forms of decentralization

- 158. There are four basically different approaches to the problems of recruitment, pay, promotion, transfer, dismissal, pensions and other problems of staffing decentralized services. They are related, to some extent, to differences in forms of decentralization, but they can best be expressed in terms of differences in relationships between central government and local authority staffing systems. One approach involves integration of central government and local authority systems; another involves a unified local government service, separate from the central government service; a third approach involves a separate personnel system for each local authority, with varying amounts of regulations and servicing by the central government; and a fourth approach involves loan of staff.
- 159. Integration of central government and local authority systems means simply that there is one civil service system. Although the authority to appoint

-48-

personnel may be decentralized to local authorities in much the same way as to individual ministries, the salaries and other conditions of service for posts in local authorities are basically the same as for comparable posts in the national agencies. Since there is a common pension system, personnel can move between levels of government without loss of retirement benefits. This arrangement would be most likely to develop under either a comprehensive local government or an integrated administrative system of decentralization.

- 160. In Yugoslavia, for example, local assemblies, as well as assemblies at the federal and republic levels, independently appoint almost all senior civil servants of their administration. They also decide on salaries of their staff, within the general conditions of service and criteria concerning salaries and promotions established by federal law. All civil servants, whether employed by the central government, the republics or the municipalities, have equal rights and may, on the basis of open competitive examinations, move freely from one post to another at any level within the framework of a single civil service system.
- 161. In Morocco, there is no difference in status between municipal and national civil servants. Municipal officers are all recruited and administered by the Ministry of the Interior and attached to local authorities. They belong to a separate cadre from other Ministry of Interior officers, but their salaries and other conditions of service are the same. They may be transferred from one town to another by action of the Ministry of the Interior, usually concurred in by the Governor, pasha or caid concerned.
- 162. The unified local government service, separate from the central government service, may cover all local authority staff, as in Ceylon, or only staff above a certain salary level (e.g. above £345 a year in Western Nigeria). 6/ It may begin with certain types of positions and spread to others, as in Ireland, or, conceivably, start in certain provinces or districts before becoming state-wide or nation-wide. There are wide variations possible in the organization and functions of the body responsible for the unified local government service and its relationship with ministries, local authorities and staff. In the relatively few countries which have such unified services, the common elements seem to be that an independent Board, established by law within the general purview of a Ministry of Local Government, has full power to make appointments to posts in the local government service, to transfer members of the service between posts in that service and to exercise disciplinary control over members of the service. The Board may delegate its responsibilities for appointment and dismissal of certain staff (e.g. junior staff) to the local authorities themselves, subject to the overriding principle that the final responsibility rests with the Board. Local councils may recommend or even appoint staff, subject to the Board's approval, Or, personnel that local councils may appoint are eligible for transfer to a post within the unified service only after appointment or certification by the Board.
- 163. The establishment of a unified service where none previously existed standardizes the qualifications and terms of service for comparable posts, facilitates the establishment of a common pension scheme, increases greatly the opportunities for a career in local government and thereby improves recruitment

-49-

^{6/} The unified local government services in Ceylon, Western Nigeria and Ireland are described briefly in Chapter VIII (paras. 248-254).

possibilities. Moreover, it can lead to the development of salaries and conditions of local service comparable to those of the central government while retaining a greater degree of adaptability to the unique requirements of local service than might be possible in the case of an integrated service. Further comparative study is needed of experience with unified local government services. This is a subject of vital interest to developing countries such as India and the United Arab Republic, which are considering ways of transforming field personnel of central agencies into local authority staff. The form is applicable to either comprehensive or partnership local government systems. The pioneer work of developing countries with unified local government services may constitute a significant contribution to public administration in developed as well as developing countries.

- 164. Where there is a separate personnel system for each local authority, the amount of regulation and servicing by the central government varies. In extreme cases, under dual systems in the Americas, local authorities are left to their own devices with respect to employment of staff. More commonly, however, certain aspects of local government personnel administration, such as salaries, pensions, qualifications of certain technical personnel or standards for local civil service systems, may be prescribed by the central government, and the latter may render recruitment and other services to local authorities, with the combination of these falling short of a unified local government service. This is perhaps the most prevalent arrangement in partnership and dual systems of decentralization. Where the arrangement fails to provide for career development of officers through transfers to other authorities, it is likely to be deficient - especially where communications about available posts and methods of screening applications are poor. It seems reasonable to assume that rural local authorities in developing countries will be unable to attract and retain technical personnel under separate personnel systems. Nor is it likely that they can develop important elements of a unified system through voluntary action, as in the United Kingdom, where a national pattern of grades and salaries for local authority posts is kept up to date through negotiations between staff organizations and bodies representing the councils as employers and where mobility of staff between local authorities is facilitated by a common pension scheme established by national law.
- 165. The loan of central government staff to local authorities affords another means of increasing the ability of local authorities to render technical services pending development of their own staff for the purpose. It is also a convenient device to enable a local authority to obtain expert services in a specialized field for which permanent staffing is not required and to fill temporary vacancies where necessary in key posts.
- 166. In cases where central government field personnel are performing functions which are to be devolved on local authorities, the personnel could be loaned to the local authorities, as is being done in the United Arab Republic, pending employment by the local authorities of their own personnel. Except in such cases, it may be difficult for central government agencies to make personnel available in large numbers without impairing their own activities. Moreover, it is essential, in arranging loans, that transferred staff must not suffer financial or other loss, that officers must be willing to transfer and that the local authorities concerned must be willing not only to accept them initially but also to give them a chance to apply themselves fully.

-50-

- 167. Relationships between central government personnel on loan and local councils can create special problems. There are several dangers. If a loaned officer heads a department of a local authority, he may not take an action requested by the council if, in his opinion, it does not accord with the programme of his central ministry; where mutual respect exists between the council and the loaned technical personnel, such a problem should not arise. Where there is an extensive loan of staff from central government, the officers concerned will probably need technical support from their ministries. The concept of "dual responsibility" might usefully be applied in such cases that is, having the officers responsible to the local councils on matters of policy and administration and to their departmental superiors in the central government on the technical and professional aspects of their work.
- 168. However, it is reasonable to suppose that good field personnel of central agencies will respect and respond to the wishes of local councils as though they were actually members of their staff, thus providing most of the benefits of both devolution and decentralization.
- 169. There are several instances of neighbouring local authorities sharing the services of technical staff. Such arrangements, however, are hazardous for the staff as well as for the councils and, where they are frequent, they may indicate that the local authorities are too small for adequate performance of these technical functions.

Council-staff relations

- 170. The Working Group on Decentralization found it impossible to generalize on the relationship between the central and local authorities and between the local units themselves with respect to staffing arrangements and the extent to which the power of appointment and removal should be decentralized. Different solutions were required to suit different situations. The Working Group agreed, however, that there are distinct advantages if such matters are centrally controlled, especially in the early stages of development.
- 171. Central control of the appointment and removal of staff, whether by a ministry, independent board or other means, should not, of course, be devised simply with the interests of the staff and the technical aspects of the work in mind. It must be tempered as necessary to make the staff responsive to the legitimate wishes of elected officials if the system of local government is to enable the people, through their elected representatives, to determine local needs, the priorities with which they will be met and the means to be employed in the process.
- 172. Measures for making staff responsive will differ, in part, according to the structure of local government, i.e., whether there is a chief executive officer and, if so, whether he is appointed or elected. The measures, whether carried out by the council, an elected mayor or a career administrative officer on behalf of either, would include participating in the appointment process either by recommending candidates for appointment by a local public service board or by making the final selection from a list of qualified candidates supplied by the board; taking certain disciplinary actions, including suspension under conditions prescribed by the board; and assessing the performance of officers periodically. Where the above measures are to be taken by the council itself, they should be

taken by the council as a body and not by its members individually, whether or not the council functions through committees.

173. Similarly, in order to strengthen the staff's responsiveness and sense of responsibility to the council in the execution of policies and for other reasons, an individual councilman should not be able to give directives to staff except through the council or on its behalf.

General administrative officers at the local level

- 174. One of the most crucial staffing decisions that most newly independent governments must take, in effecting the transition from colonial administration, is to determine the future role of district or other area administrative officers. As mentioned in Chapter IV, political and administrative pressures force changes in the role of these officers. These changes will both affect and be affected by the form of decentralization to be instituted.
- 175. The availability of career district officers will in the first instance determine what alternative forms of decentralization are open to a country. In India and Pakistan, for example, a comprehensive local government system is possible because of the availability of district officers and lower-level area administrators for service as chief administrative officers of local authorities. No such alternative is readily available to Latin American countries which do not have career area administrators; in these countries the training of such personnel may be an essential first step in organizing the field co-ordination of technical services or in using local authorities for the purpose. In Eastern Nigeria, district officers have become supervisors or advisors of local authorities and thus contribute toward the quality of partnership in relations between central and local government. With increasing emphasis on development in countries with integrated administrative systems of decentralization, the district officer will become more of a co-ordinator of social and economic programmes and less of an area administrator of police and tax collection functions.
- 176. Thus, the alternative new roles for district officers seem to be as follows:
 - (a) Regional or area co-ordinators of central government activities and also, perhaps, supervisors or advisors of local authorities;
 - (b) Chief executive officers of local authorities;
 - (c) Assignment to other duties in the civil service and their disappearance as area co-ordinators.
- 177. In discussing these alternatives, the Working Group on Decentralization noted the practices and trends in various countries. In Western Nigeria, in the Federation of Nigeria, for example, the trend is towards removing the district officers entirely. Their function of inspecting local authorities makes them too important. Regarding their function of advising local councils, the councils have had eight years of experience and need less and less inspection. The general impression is that area officers are unnecessary. More junior officers can perform hospitality functions for government guests, carry out housekeeping activities for joint services and even serve as local government officers. The law and order functions of the district officers have been distributed among various agencies.

-52- /.

The police, political parties and elected officials serve as channels of information regarding local disaffection, dissatisfaction and needs. The district officers are, therefore, no longer required for such purpose.

- 178. In France and Senegal, the prefects and governors of provinces respectively represent their central government, co-ordinate technical services and advise local authorities in their areas. The main function of the prefect in France now is co-ordination of technical services. Similarly, in Senegal the provincial governor has a pivotal role in development programmes. He serves as chairman of the planning board, attends Assembly meetings and inspects as well as co-ordinates technical services.
- 179. In India, questions relating to the future role of district officers are of great concern. The answers to some are clear:
 - (a) The district officer can no longer be the final arbiter of issues in his area, because such a role is inconsistent with the policy of democratic decentralization;
 - (b) He cannot, for the same reason, serve as chairman of the local authority council;
 - (c) He should continue to serve as the eyes and ears of government at the local level since reports of political party representatives may not be objective and those of the police may not identify social and economic problems underlying threats to law and order;
 - (d) He can perform certain functions such as administration of elections and those of a magisterial and regulatory nature which must be impartially performed;
 - (e) Since he can usefully advise local authorities, he should be able to attend council meetings, though not as a member, and he can "lubricate" relations among technical services and between the latter and local authorities.
- 180. For these reasons, it is believed in India that an area administrator is needed. But what his relationships should be with local authorities is not yet clear. In most states of India, the district officer is a non-voting member of the council; in some states he is made chairman of council committees, and in others he has no role within the council.
- 181. In Yugoslavia, the Municipal Assembly appoints its Secretary, normally upon nomination by the President of the Municipal Assembly. The Secretary is executive officer of the Assembly and has responsibility for enforcing within the municipality the laws and regulations of representative bodies at all levels. He attends meetings of the Assembly and its committee but cannot vote. He is the most senior civil servant of the municipality and is responsible for co-ordinating the administration of municipal activities. His work is supervised by the President of the Municipal Assembly.
- 182. In the Sudan, area co-ordination was previously effected through both district officers and local authorities. This was deemed too costly. Moreover, the

authority of the district officers detracted from that of the councils. A novel plan, described in Annex III, section G, has been instituted that provides for five stages of local authorities. In the least developed area, a local government inspector exercises local powers until he is able to appoint a council (second stage); the third stage is reached when the inspector delegates his powers to the council but retains a veto over council decisions. In the fourth stage, a council receives its powers by warrant from the Council of Ministers but its chairman is appointed. The council elects its own chairman and has full powers in the fifth stage.

183. Burma has had four different types of relationships between district officers and local councils during the past thirty years (see Annex III, section B). In the colonial period, district officers supervised, directed and could even suspend councils. In 1946, the United Kingdom Government vested district officers with the powers previously held by local councils. Then, under the Democratic Local Government Act of 1953, the district officers became chief executive officers of local councils and had charge of departments of the councils which were headed by officers responsible to the central ministries. District officers were responsible to the Ministry of Democratization as well as their councils. Similarly, the head of a local government technical department was responsible to his council as well as to the central ministry. Experimentation with this system was unsuccessful owing to the fact that public servants did not know how to discharge "dual responsibility" and that the people were not ready for the new system. As a consequence, the councils established under the Act have been suspended and an enquiry is being made into ways of remedying the defects of the system.

184. The Working Group on Decentralization, although indicating that universally applicable generalizations seem impossible, recognized the value of career administrators who are politically acceptable as field co-ordinators of central services or chief executive officers of large local authorities. The rise of specialists to carry forward agricultural, education, health and other programmes makes even more necessary a generalist to facilitate the co-ordination of their work and the execution of the policies of elected bodies. It is difficult for any developing country to produce administrators who have not only the requisite ability to plan and manage the use of men and resources but also the rare quality of being able to work well in a political arena without becoming involved politically. Some countries are trying to meet this need through stiff competitive recruitment and comprehensive training schemes.

-54-

VII. FINANCIAL ASPECTS OF DECENTRALIZATION

- 185. Decentralization of financial authority and of financial operations, such as budgeting, accounting, purchasing and treasury functions, must go hand in hand with deconcentration and devolution of other powers and functions. Much of the difficulty of administering direct services and co-ordinating related ones arises from unduly centralized financial powers and operations.
- 186. Some financial aspects of decentralized operations must be centralized in order to formulate and carry out national policies and programmes and to ensure honesty in the handling of funds. These financial aspects include:
 - (a) the allocation of funds to field units in accordance with national and, where practicable, regional plans for social and economic development;
 - (b) the prescription of financial and accounting procedures and audit of transactions to ensure proper collection, deposit and expenditure of funds;
 - (c) the granting of taxing and other revenue powers to local authorities to ensure their consistency with national tax and development measures:
 - (d) the allocation and supervision of grants-in-aid to local authorities, which in the early stages of their development could necessitate central government approval of the budgets of such authorities;
 - (e) the financing of major development schemes.
- 187. Each of these involves the difficult task of reconciling the needs for powers at the local level, to permit initiative and adaptation of programmes to local circumstances, with the need of ensuring that limited resources will be used for purposes consistent with national plans. This chapter examines some of the problems involved in fulfilling these responsibilities and suggests guides for dealing with them.
- 188. The problems of financial administration will differ somewhat according to a country's system of decentralization. For example, the problems of co-ordinating the budgets and plans of field services on an area basis and of field services having to get the approval of one or more ministries in the capital for even minor expenditures are more likely to exist where, as in a dual system of decentralization, ministries administer most direct services and do not have common field areas. Countries with an integrated administrative system are better able to deconcentrate financial operations to the same areas as direct services, thus simplifying financial aspects of field operations; however, overcentralization of financial decisions may nevertheless be a problem in such a system. In countries with a comprehensive local government system, the main problems are likely to relate to the taxing powers of local authorities, formulae for grants to supplement local resources and methods of satisfying central and local interests in the formulation and execution of local authority budgets. Fartnership systems may confront any or all of the aforementioned problems and, in addition, that of giving grants-in-aid either for specific

purposes to induce local authorities to perform certain functions or for the purposes of equalizing major differences in the financial capacity of local authorities. These differences in the major problems of financing and financial administration which are attributable to a country's system of decentralization should be borne in mind in the discussion which follows.

Central-field financial relationships

189. The budget, including the supporting accounting system, provides a useful tool for co-ordinating the programme of field services that have common areas and for relating field programmes to national development plans. Such use of the budget presupposes a comprehensive budget, a central budget office and supporting departmental and field machinery, so that requests for funds can be assembled and assessed on both a functional and an area basis. It is also dependent upon a rational system for appropriation and allocation of available funds. Its effectiveness is lessened where many agencies operate outside the general budget, where available funds fall far short of amounts appropriated, where much of the proceeds of taxes is earmarked by law for specific purposes or where there are wasteful legislative practices, such as tacit agreement among legislators to vote for one another's pet projects or allowing legislators individually to control the use of substantial amounts of central government funds available for building community facilities.

190. Budgeting can provide a good basis for decisions regarding allocation of funds, but the decisions are usually made through political processes. The attention of the Working Group on Decentralization was drawn to the fact that a major problem in budgeting faced by some developing countries is the pressure brought upon the government by individual politicians and political groups in favour of local interests, which are seldom considered in a regional context. More often than not, these pressures take the form of appropriations for piecemeal projects or grants to local private institutions. In such cases, the fault lies not so much in the preparation of the budget but in its enactment at the congressional or political level, often in the name of local interests. Consideration of methods of retaining the soundness of the budget through the appropriation stage is outside the scope of this study, but the value of regional budgets, not only as a deterrent to wasteful programming but also as a means of ensuring that complementary requirements for needed projects are being met, merits stress. Another suggestion in this connexion is that a system of independent audit of results of programmes be developed to supplement the customary independent audit of the legality of transactions.

191. In some Asian countries, the community development agency has served as the channel through which funds are made available to the responsible ministries to employ agricultural, health and other technicians in areas covered by the community development programme. Such arrangements may be necessary in trying out or demonstrating methods of co-ordinating the activities of technical services and relating these activities to the interests, circumstances and self-help efforts of the people, or they may be useful in persuading technical departments to assign their personnel in areas where they are needed and to have their personnel trained in community development methods. Such financial arrangements should be regarded as temporary, however, and only in exceptional circumstances, such as a special programme for isolated tribal groups, should the community development agency itself employ agricultural, health and other technical personnel in fields in which other agencies have competence and responsibility;

-56-

otherwise, overlapping of ministerial responsibility, conflict between ministries and diminution of the value of functional specialization will result.

192. Programme and performance budgeting was originally applied to governmental budgets to increase the level of efficiency of government operations, but it can also contribute toward the more positive objective of better programming for fulfilment of social and economic development plans. It is at the level of direct services where the more meaningful units of work load can be established and their costs most readily measured, where the activities of separate services can be related to one another by areas and where achievements of public services can be appraised not only in terms of the work load accomplishment of the separate services but also in terms of their combined effect on levels of living. This is thus the level at which improvements in programming will be reflected immediately in sounder national budgeting and planning.

193. Although the various technical services have developed units of measuring work load and related staff requirements, more research is needed on methods of assembling, assessing and executing budgets of related services on an area basis under different forms of decentralization. This is part of the problem of reconciling ministerial responsibility and the claims of various technical services on the one hand, with area requirements on the other. The problem is simplified in comprehensive local government and unified administrative systems of decentralization where local authorities or field administrators provide a focal point for formulating budgets and programmes on an area basis. The problem is more complex under partnership and dual systems of decentralization where no such single area authority is available for the purpose. It would be useful to extend the work of the United Nations in the field of national budget management and accounts classification to the level of local authorities and to encourage uniformity to the degree practicable in budgeting and accounting classifications used by governmental units at different levels in the same country; it would also be useful to develop methods of synthesizing the programming of field activities of central government agencies with activities of local authorities, especially under partnership and dual systems of decentralization. 1/

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194. Financial operations as well as financial authority must be decentralized. For purposes of management as well as financial control, accounts must be maintained at levels where authority to incur obligations exists and where funds are received and disbursed. The degree to which the financial operations of different field services can be carried out by the same office will depend on the size and organization of the field services. In India and the United Arab Republic, the receipt and disbursement of the funds of both local authorities and central government agencies are handled by field offices of the Ministry of Finance. In a number of countries, the field services maintain their own accounts and local banking facilities or co-operatives are used for deposit of public funds and for effecting payments. In the Netherlands, branches of the post office perform local treasury functions, such as the collection of taxes and fines and cash payment of vouchers. Further information is needed on alternative means of

This accords with a recommendation in the United Nations Report of the Third Workshop on Problems of Budget Reclassification and Management in the ECAFE Region (ST/TAO/SER.C/48, para. 49).

carrying out treasury functions in areas where banking facilities are not available.

Measures to prevent corruption

195. Although lack of financial institutions at the local level often contributes toward centralization, the most important causes of centralization of financial authority and operations are the measures taken to minimize corruption. The latter, some of which were illustrated in Chapter II, are often self-defeating - burdening central officials with the necessity for approving minor expenditures causes wasteful delays, frustrates community development and other programmes in the field and aborts the growth of local authorities.

196. Although corruption arises everywhere and is evidence of the need for world-wide strengthening of social and moral opinion against it, it tends to be more widespread in emergent societies, for reasons that are understandable. The new society involves new powers and locations of power which are not subject to traditional controls. At the same time, government at all levels does more and regulates more, so that officials, elective and appointive, are in a position to confer or withhold more benefits and penalties - appointments, promotions, licences, purchases, contracts, application or waiver of regulations, the delay or expediting of services and many others. Social disorganization creates added pressures within the extended family to secure the welfare of its members, with the result that nepotism is common. Low or irregularly paid salaries and the bad example of some politicians are often contributory causes of corruption of staff whether of central government or local authorities. Moreover, the persistence of traditional practices in a number of countries, according to which it is normal for an official to receive a gift and, in return, do what he can on behalf of the donor, provides moral sanction for what would be regarded elsewhere as a bribe for preferential treatment.

197. Within the financial sphere, a number of administrative and legal measures have proved effective in different countries in minimizing corruption and irregularities in the handling of funds at the local level without impeding administrative decentralization. Among general measures which have proved effective are the setting of an example of honesty by political leaders and prompt action in all cases of corruption, including those involving high officials; the prescription of clear and practical rules of conduct for public employees and elected officials; and the establishment of a sound basis in law and administration of justice for dealing with corruption. This last should include not only the addition of such new measures as may be required but also elimination of those which induce corruption, such as complicated procedures that lead to bribes in order to expedite action. Other general measures are the provision of adequate salaries, regularly paid, for public employees, and a limitation on election campaign expenses or the adoption of other means of preventing candidates from building up, during their campaign, debts which the public may, in effect, later have to pay because of improper use of their office by those elected.

198. Measures which have proved effective in minimizing irregularities in financial operations include the establishment of a sound system of financial control which, while allowing speedy petty cash transactions where needed, places responsibility in different offices for authorizing payments, for receiving and disbursing funds, for certifying receipt of goods and services and for auditing transactions. This last function should be performed by an agency independent

-58-

of those with executive responsibility or, in the case of local authorities, usually by a central government department. There should also be careful selection and training of those who handle funds and they should be bonded, that is, a sum should be pledged in support of their honesty. Those who handle funds should be supervised by various means, including spot checks, to a degree which is preventive without becoming so oppressive as to inhibit action. In Burma divisional auditors seem to have proved effective in exercising surveillance over field units and local authorities. In Kenya field inspectors of the Ministry of Local Government guide and supervise local authority financial operations. A common practice is to create ad hoc bodies to inquire into irregularities when they arise and make public their findings.

- 199. Other measures effective in financial operations include the establishment of rules and supporting facilities for quick and safe deposit of money collected by tax and other collectors, and the requirement of competitive bidding, wherever practicable, on government contracts and purchases, except those involving small amounts, and inspection of contract performance by an official who was not involved in the award. Entitling local authorities to make purchases under contracts made by the central government with its own suppliers could lessen the chances of corruption and also enable local authorities to buy better material at a lower price.
- 200. Irregularities in local councils can be prevented by regulations prohibiting councilmen from participating in discussion of bids in which they have a private interest until they have declared that interest to the council and even by requiring approval by the Ministry of Local Government of any contract by a local authority in which a council member has a financial interest. In addition, council meetings should be conducted in public and the records of the proceedings should be open to the public; the local authorities should publish a financial statement regularly; and citizens should be permitted to inspect local authority accounts, perhaps with a fee being charged to avoid abuse of the privilege, and should be allowed to present charges or complaints to the auditor. The auditor's report should be published, and a central government agency should be charged with following up any irregularities reported, if the council fails to do so.
- 201. The particular measures required in any country to decentralize financial authority without increasing corruption must be adapted to local circumstances. But the most skilfully devised measures will be ineffective without the whole-hearted support of political and civic leaders to activate them.

Taxing and other revenue powers of local authorities

- 202. A major function of local authorities is to provide the means by which people can tax themselves and otherwise collect money to pay for services desired locally and to share to the fullest extent possible in the cost of local services of national interest. The revenue powers of local authorities must be prescribed or circumscribed by law to ensure that they are consistent with national tax and economic development policies.
- 203. The most common local sources of revenue are taxes, charges for services rendered and profits from commercial enterprises, each of which will be briefly discussed. Licences and fines provide a welcome and often fruitful source of

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income but should not be regarded primarily as means of raising revenue. In some countries, voluntary effort and contribution of labour in lieu of taxes for minor communal services constitute significant additions to the resources of local authorities at the lowest level.

204. Taxes usually constitute the main local source of revenue. 2 Further comparative study is needed of experience with different types of local taxes. However, some general guides in granting taxing powers to local authorities can be given.

205. Local authorities should have power to impose a variety of taxes so that they can distribute the tax burden as equitably as possible and have greater and more stable income than would result from a single tax. There are three main types of local taxes: (a) taxes on persons, which range from a flat poll tax to a progressive income tax; 3/ (b) taxes on production and expenditure, such as taxes on the slaughter or sale of animals, and market and produce taxes; and (c) taxes assessed in some way on property. A common tax, but one requiring much circumspection before authorizing, is the octroi, which is imposed on goods, persons, vehicles and animals entering a jurisdiction. A recent study has called the octroi "repressive in incidence, inequitable because of fraud and highly inconvenient to the taxpayer" and has noted that it "hampers inter-local trade".

206. The same tax source should normally not be tapped separately by different authorities. However, sharing of revenue from the same source is very practicable. The proceeds may be divided pursuant to law, or, if the local authority is authorized to impose, within certain limits, an additional charge on the tax of a higher authority, the proceeds from the latter would determine the local authority's share. Such taxes are usually collected by the central government, which then turns over to the local authorities their appropriate share. The Cambridge Conference on Local Administration in Africa (1961) regarded an additional charge by local authorities on a graduated central government tax, both collected by a single authority, as an ideal tax for local authorities.5/

-60- : /...

^{2/} Even in Yugoslavia, where enterprises are socially owned by local communities, returns from the enterprises increase the revenues of municipalities but mainly through the tax system.

The international community has, on various occasions, denounced the use of taxes such as the poll tax, which have the effect of compelling persons to work. A recent report of a group of experts points out that certain new forms of taxation, such as an income tax with a minimum rate which all persons must pay when their income does not exceed a certain amount, appear capable of producing similar undesirable results. (Report of the Committee of Experts on the Application of Conventions and Recommendations, presented in 1962 to the International Labour Conference at its 46th session (Report III, part IV, p. 221, para. 103); also Report of the Committee on Information from Non-Self-Governing Territories, General Assembly, Official Records: Fifteenth session, Supplement No. 15 (A/4371), p. 34, para. 103.)

Hicks, Ursula K., Development from Below: Local Government and Finance in Developing Countries of the Commonwealth (Oxford, the Clarendon Press, 1961), pp. 293-294.

^{5/} Summer Conference on Local Government in Africa, op. cit., pp. 51, 57.

207. Wide latitude should be given to local authorities in fixing tax rates. Where approval of the Ministry of Local Government is required before a tax can be imposed or a rate increased, the Ministry will be subjected to heavy pressures from those affected and the benefits of decentralization will be lessened accordingly.

208. Although some differences in the amount of tax effort are to be expected where local authorities determine the type or rates of taxes to be imposed, the central government should take the more extreme differences into account in devising formulae for grants to local authorities in order to avoid some leaning unfairly on the rest of the country for assistance.

209. General taxes - those that are generally applicable and the proceeds of which may be allocated to any community purposes - are normally preferable to those confined to a particular purpose or area. Taxes that are earmarked for a special purpose are usually more acceptable and often even popular because people can see the relationship between such taxes and the services they want. They are also a useful device for starting a new service. Cumulatively, however, special taxes distort programming, create vested interests in specialized activities and lessen the people's disposition to support general governmental expenditures.

210. Tax measures must make sense to the people who are being taxed. The nature and purpose of the taxes must be both understandable and acceptable. In some tribal areas, for example, the idea of levying taxes other than for traditional purposes, such as maintaining the chief's status and enabling him to help those in need, is alien to people and chiefs alike. A case has been cited of a councillor being ostracized and even fined by the elders of his village for voting for a tax measure. 6/ In Ghana, the Department of Community Development carried out, on behalf of the Ministry of Local Government, a campaign entitled "pay your taxes". The campaign was designed to inform the people of what was done with their money and was able to arouse such enthusiasm that taxes were often collected on the spot. One community development worker was likened to a bus conductor from the manner in which she collected taxes from those attending her meetings and handed out cash receipts. 7/

211. Finally, the authority that imposes a tax should normally collect it, unless it is substantially more efficient and economical for an authority at a different level to do so. It most cases, the nature of the tax will be the determining factor, but circumstances may justify one unit to collect central and local taxes in a locality. In Brazil, collection of municipal taxes by the state governments is deemed necessary to enforce payment. In the Sudan, local authorities collect taxes on behalf of the central government and are allowed to retain a certain percentage of the proceeds as their commission. In Yugoslavia, where there is a system of sharing revenue among different levels of the authorities, local authorities collect all taxes. There is no special agency at federal or republic

-61-

^{6/} Mair, L.P. "Representative Local Government as a Problem in Social Change", Rhodes-Lvingstone Journal, No. 21 (March 1957), p. 13.

^{7/} Du Sautoy, Peter, Community Development in Ghana (London, Oxford University Press, 1958), pp. 149-150.

levels to collect taxes. Higher organs collect a tax only if the local authorities are unsuccessful in doing so, and the cost of collection is chargeable to the local community. Municipal assemblies are allowed to establish an additional charge on taxes established by federal or republic law within limits provided by the law.

- 212. Comparative study is needed of methods of collecting local authority taxes. Faulty collection is often a main cause of the weak financial position of local authorities. The salary or percentage commission of the collector may not be high enough to dissuade him from accepting bribes for non-collection. Enforcement procedures may be ineffective, especially if there is no certainty of penalty for non-payment. The methods of collection may be ill-adapted to the circumstances. Where the population is mostly illiterate and communications are poor, taxes must be collected through personal contact. As conditions change, tax bills can be sent by mail, but follow-up is needed if they are not to be ignored. In one capital, some senior civil servants had not paid their local taxes for over three years because of inefficient collection.
- 213. Where services are not freely available or where differences in extent of use can be readily established, charges upon users may be appropriate for defraying all or part of the cost of the service. However, price policies need to be devised to avoid harmful social consequences: for example, the charge for water from a community well or tap should not lead persons to draw water from tainted sources nor should a tuition charge put education out of reach of the poor. Charges are normally levied for services which are amenities or else are provided for only certain sections of the community.
- 214. The distinction between services for which charges are imposed and public utilities, such as electricity, transport and ferry service, which may operate at a profit can be narrow. It is generally agreed, however, that the profits from such public enterprises must be limited. A country's economic system will determine the extent to which local authorities should engage in purely commercial-type enterprises.

Grants-in-aid to local authorities

- 215. The proceeds from locally imposed taxes and other sources will, at least in most countries with comprehensive and partnership systems of decentralization, have to be supplemented by the central government in the form of grants-in-aid or the assignment of all or part of the proceeds of certain national taxes to local authorities. Grants can be made more selectively on the basis of need for specific purposes and as an inducement to improving the quality and administration of services and are therefore more suitable for fostering development than assigned taxes. The latter may, however, be useful as a supplement to local taxes where sharing or assigning the proceeds will substantially increase the tax yield.
- 216. There are two main types of grants: block or general grants and specific grants. Block or general grants are used to supplement other revenues available for general support of local authority services. They are designed to bring the poorest local authorities up to a minimum level of income or to ensure that all local authorities at a given level are financially able to provide certain basic services. The amount of the grant may be based on a formula

-62- /.

ranging from simply a per capita allocation to one which also takes into account financial ability (e.g. amount of revenue collected or per capita income). Or, the amount may be determined by what is needed to supplement local revenues in order to carry out a minimum programme as decided by public policy in the country concerned. The latter, commonly called a deficiency grant, usually involves the approval by the central government of the local authority budget or advance specification of minimum amounts to be included for services of national interest. It may, therefore, carry a measure of control over the content and quality of local authority programmes that resembles the controls associated with specific grants. Another important variation of the block grant exists where, as in the centrally planned economies in Eastern Europe, the budgets of local authorities are included as part of the central government budgets. The block grant which is based on a formula allows local authorities to decide on priorities in programming and is suitable where there is confidence in the way in which local authorities will spend the money. A block grant that is based on anticipated deficits or amounts required to carry out a minimum programme is especially appropriate for local authorities in the early stages of development or for situations in which close integration of national and local authority programmes is necessary and requires central control of local authority programmes to achieve it. Care must be taken that the block grants are not so generous as to make councils less disposed to raise revenues from local sources and less prudent in the use of funds than they would otherwise be and also that the central controls accompanying block grants are not so exacting as to negate the purposes of local government.

217. Grants made for specific purposes usually have conditions attached to ensure not only that the grant is spent for the purpose intended but also that certain standards are maintained in the process. Specific grants are thus useful in stimulating local action in desired fields, fostering good management and providing the desired measure of control over the quality of services. The amount of a specific grant may be determined in various ways. A certain percentage of locally financed expenditure may be assigned to a given technical service, such as health, or for a single related activity, such as dispensaries, or for an important object of expenditure, such as a community facility or salaries of teachers. Alternatively, a certain amount may be assigned to each unit of need, for example the population as a whole or a part of it, such as children of school age, or to a particular service, such as a school meal or a hospital patient bed per night. There may, of course, be combinations of factors indicative of the need for a service and the ability or willingness to pay for it. Grants for construction of community facilities may consist of the provision of materials, equipment, supervision and skilled workers, with the people volunteering their labour either directly through community development bodies or local authorities.

218. The common pitfalls which develop in the use of specific grants are as follows:

- (a) The grants-in-aid become too numerous, too narrowly defined or too generous (the danger line being somewhere between 50 and 75 per cent of the total cost), leading to rigidities and distortion in the budgets and programmes of local authorities which take advantage of them;
- (b) Differences in the wealth of areas are widened in the case of grants that are based solely on the amount of local expenditures;

- (c) The formulae for calculating different grants either become so complicated that councilmen are unable to understand them or do not permit councils to estimate the amounts they will receive;
- (d) Grants are made for construction of community facilities without provision being made for their staffing and maintenance;
- (e) The reporting and other stipulations attached to grants become unduly burdensome.
- 219. A combination of block and specific grants is likely to be useful where local authorities are expected to assume increasing responsibility for direct services. The purposes for which specific grants are made should be broadened as circumstances permit, with those that are narrowly defined at the outset, in order to initiate a new activity, being merged in due course with others related to the same technical service or with the general programme supported by block grants. The grant-in-aid programme should be periodically reviewed (e.g. every five years, as in India) to identify ways in which the grants individually and as a group may be better designed and administered and also to ascertain that equalization arrangements are not simply perpetuating uneconomic units of local government. At the same time, the system of grants-in-aid should be sufficiently stable to give local authorities a sound basis for administration and planning.
- 220. The system adopted in the Sudan combines in an interesting way the use of shared taxes and general and specific grants. Inspectors of the Ministry of Local Government discuss with each local authority their proposed programme and revenue prospects. Representatives of the technical ministries participate in discussions of concern to them. The ministry and the local authority agree on an estimate of the amounts to be derived from shared taxes and local revenues, including specific grants. The local authority is responsible for collecting the shared taxes and remitting the agreed share to the central government. If it collects more than the estimated yield, it retains a very considerable portion for itself. The benefits of this system are that both levels discuss frankly the whole programme of the local authority in terms of their respective interests; the specific grants provide a means for technical agencies to encourage and support their programmes; there is economy in having only one tax collection unit locally; and the arrangement established encourages the local authority to minimize the tax yield. There is, of course, in such a system, a risk of undue central influence in the process of budget formulation.

Loans to local authorities

221. Central government grants are extremely useful in helping local authorities to finance small-scale projects, but funds for major projects must usually come from other sources, principally loans. Local authorities in some countries may be able to accumulate funds for capital projects by earmarking the proceeds of certain taxes, as in Tanganyika, or allocating a portion of current revenues, as in Uganda. However, demands on local revenues to meet current expenses are usually such as to preclude this type of financing. In the larger towns, accumulated revenues, such as for replacement of equipment and pension funds, may be used for short-term financing. Where reserves have been established from operations of marketing boards or public enterprises, these can also be a useful source for capital grants or loans to local authorities, as they have been in Ghana and Nigeria. 8/

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^{8/} Hicks, op.cit., pp. 397-398.

222. In most countries, however, the national government will find it advisable to consider establishing and providing capital for a special agency to make loans to local authorities. Direct public borrowing is out of the question for all except the largest urban authorities in developing countries. Loans from commercial banks or other private institutions are available, if at all, only at high rates of interest. Loans from income-producing work projects, such as electric plants, irrigation works, transport service and water-supply systems, can often be wholly or at least partially self-liquidating and, at the same time, accelerate the pace of development. Where central government grants are inadequate, loans even for small projects, such as for the purchase of a water pump, may provide the small amount of cash needed to make a highly useful project possible.

223. A central loan agency could not only provide loans to local authorities (and through them to small communities) at reasonable rates, but could also give technical advice on individual projects and spur long-term physical planning at the local level. It could also contribute toward co-ordination of physical planning between neighbouring local authorities and between local authorities and central agencies. Moreover, it can assemble information on the borrowing requirements and capacity of local authorities so that these may be taken into account in formulating national capital development programmes. Where local authorities borrow exclusively from a central government loan agency, it provides a simple means for protection against overborrowing or excessively long periods for repayment of loans. Otherwise, other central controls, such as statutory debt limits on the borrowing power of local authorities or central government approval of each loan, will usually be necessary. Alternative arrangements for organizing and capitalizing a central loan agency are discussed in the next chapter.

VIII. CENTRAL AGENCIES FOR RATIONAL DECENTRALIZATION AND THE IMPROVEMENT OF LCCAL GOVERNMENT

224. The Governments of newly independent countries, beset as they are with handicaps and problems, are in most cases less bound by doctrine and tradition than the older countries in designing forms of decentralization suited to their circumstances and their overriding purpose of fostering development. In many of the older countries, patterns of decentralization still retain evidence of long conflict between local communities and the central government, and doctrines such as "local autonomy", traditions associated with the staffing and financing of local authorities and entrenched field practices of central agencies often limit the alternative approaches that can be considered. In many newly independent and some other developing countries, by contrast, departure from traditions founded upon centralized administration - whether colonial or otherwise - is usually both politically and administratively imperative. Moreover, technological changes and improved methods of communication (e.g. telephone, teletype, transistor radio, helicopter and jeep) have diversified and improved the means for decentralization.

225. The new emphasis on decentralization for the purpose of fostering development provides the basis for new concepts and relationships, founded on the compatibility - indeed mutuality - of interests of different levels of government and between government and people. The Cambridge Conference on Local Government in Africa concluded that "it \sqrt{is} a mistake - where rapid development is the primary objective - to maintain 'local autonomy' or 'freedom from central government interference' as the governing principle in central local relations. Poor local governments, like poor people, are likely to get poorer if left to their own resources; they need help if they are to overcome their disabilities and realize their potentialities for useful service". 1

226. A variety of central agencies is required to deal with problems of decentralization such as those discussed in this report. The nature and functions of such agencies will vary from country to country but some generalizations can be made regarding them that may be helpful to officials who have responsibility for major programmes of decentralization.

227. This chapter first summarizes the role of central agencies which can contribute generally towards rational decentralization and then examines in more detail those specifically concerned with decentralization to local authorities and with the improvement of local government administration. Organizational arrangements for helping local authorities have been largely neglected in the literature of public administration despite their importance to countries which are relying increasingly upon local authorities to carry out local aspects of

-66-

^{1/} Summer Conference on Local Government in Africa, op. cit., p. 67.

national development programmes. 2/ An attempt is made here to relate the alternative central arrangements for rendering services to local authorities to the system or systems of decentralization to which each seems best suited. The chapter ends with recommendations made by the Working Group on ways in which the United Nations can help Governments to establish or strengthen these central agencies and otherwise to improve local government and administration for purposes of accelerating social and economic development.

- 228. Six types of central agencies perform functions which can contribute generally towards rational decentralization: a central organization and methods office, a central personnel office, a central budget office, a central planning agency, a community development agency and a headquarters office to provide support for generalist field administrators. 3/
- 229. A central organization and methods office and similar units in each major ministry are needed to advise on organization of government agencies at the centre and in the field and on headquarters-field relationships. As emphasized in the course of the discussions of the Working Group, rational decentralization is possible only if there is sound organization at the centre.
- 230. A central personnel office with jurisdiction over the whole government service is needed to establish and maintain standards of recruitment, ensure comparable salaries and other terms of employment, increase the attractiveness of field service, foster in-service training and perform other tasks on a national basis that will facilitate co-operation among field personnel of different agencies and improve the quality of the public service generally. A central personnel office can arrange for the secondment of central government personnel to local authorities, facilitate the transfer of personnel between levels (e.g. through common pensions schemes) and advise on personnel systems or a unified personnel system for local authorities.
- 231. A central budget office, as pointed out in Chapter VII, is needed to facilitate rational allocation of resources on a functional and geographic basis. Separate agencies are advisable for budgeting and planning, but since budgeting is at the cutting edge of planning, close relations should exist between the responsible agencies.
- 232. A central planning agency which formulates comprehensive long-term plans as a guide for governmental and even non-governmental action can have the utmost importance in giving shape to a country's system of decentralization and in programming social, economic and public works activities at local levels. 4/ It

-67-

^{2/} The International Union of Local Authorities (IULA) has completed on behalf of the United Nations, a comparative study of "Central Services to Local Authorities". A draft of this study and a paper presented to the Working Group on Decentralization by Dr. W. Hoven, Director of the IULA study, were drawn upon in the preparation of this chapter.

^{3/} For further information on the organization and functions of these central agencies, see A Handbook for Public Administration, op. cit.

^{4/} For a discussion of administrative arrangements for the co-ordination of planning for economic and social development, see Report of the World Social Situation (United Nations publication, Sales No.: 61.IV.4), pp. 90-95.

can provide the basis for a government-wide co-ordinated approach to decentralization. Its recommendations on methods of implementing plans will often involve the division of powers between central government and local authorities; the taxing powers and financial resources of local authorities; and priorities for capital investment, including the nature and location of major public works and methods. Ideally, planning should take place at each level of government, with the central agency mainly concerned with co-ordination and synthesis of plans both horizontally at the national level and vertically between levels of government; moreover, planning should be a co-operative undertaking, not something handed down. However, lack of trained planning staff is often an obstacle to planning at regional and local levels and, if done at all at these levels in predominantly rural areas, it must usually be done by administrative and technical staff who are already overburdened with other duties. The Working Group considered a suggestion that the paper work involved in planning took too much of the time of officers at the local level, that it is hard to keep the interest of all who are supposed to participate in the planning process and that it is extremely difficult to get local participation by people who tend just to approve what is put before them. In the discussion it was stated that in Yugoslavia the most active discussions at the local level take place when plans are being considered, because the decisions taken locally are important to all in the community. 5/ Pending availability of staff for more comprehensive planning, organizational arrangements should at least be made to co-ordinate plans for construction of physical facilities and to advise local authorities on physical planning.

233. A community development agency can often help to stimulate and support the self-help effort of the people, to arrange for technical assistance to make such effort effective and to associate the people with decentralized activities of the government. With strong support of political leadership, such an agency can vitalize relationships between government and people. Through its co-operation with the responsible ministries in the training of technical personnel, the community development approach can be infused into the whole range of field activities of central government. Its role in training local leaders, in stimulating people to organize in pursuit of their common interests and in making people fully conscious of their own civic responsibility and the responsibility of elected officials and civil servants complements that of agencies primarily concerned with the improvement of local government. The different types of programmes, the common functions of community development agencies and the relationship between community development and local government are summarized in chapter V and analysed in detail in the study of the United Nations on public administration aspects of community development programmes.

234. In those countries where there are generalist field administrators, a central agency (often the Ministry of the Interior) is needed to recruit and train them and to give them technical and administrative support for their often vital role in area planning, budgeting and programme co-ordination; to assess from time to time the adequacy of common areas and services for field units, headquarters-field relationships and arrangements for participation by the people in decisions affecting area programmes; and to perform other functions essential to rational decentralization of government operations.

-68-

^{5/} See Annex III, section L, for information on the organization and planning procedure in Yugoslavia.

235. A variety of central government agencies and semi-autonomous, or non-governmental, agencies, primarily concerned with the improvement of local government, may be needed for the improvement of local government. These include a central ministry, or department, of local government; a local government public service commission; an institute of public administration or a special institute for training local authority administrative staff; a loans agency for local authorities; a union or association of local authorities; and an association for local authority staff. In addition to these, there are often special offices in finance, public works and other ministries devoted exclusively to support and supervision of local authority operations in their fields. For example, an independent post audit of local authority accounts is essential, and, although in some countries it is carried out by the Ministry of Local Government, it is usually the function of a special unit in the Ministry of Finance or an agency (e.g. the Controller General's office) responsible to the central legislature.

236. Each of these agencies or organizations has functions which are important enough and have sufficiently distinctive organizational requirements to warrant a separate organization to perform them. However, certain combinations are possible. For example, the Ministry of Local Government may also administer a school or institute for training local authority staff. Moreover, any one of several of the above agencies could, depending largely on a country's system of decentralization, assume the leading role in providing technical advice and assistance to local authorities. For example, in developing countries with a comprehensive local government system or a partnership system of decentralization, one would expect the Ministry of Local Government to take the lead because the central government depends upon the local authorities to perform certain functions of national interest and a spirit of co-operation underlies the relationship. In developing countries with a dual system of decentralization, it is more likely to be a semiautonomous or autonomous institute of municipal administration, as in Brazil, or a national municipal bank, as in Guatemala, because local authorities are reluctant to become dependent on a central ministry and are too poor themselves to staff their association of local authorities for the purpose. In those European countries where unions of local authority developed strength before their dual system of decentralization evolved into a comprehensive or partnership system, it is likely to be the union of local authorities, as in the Netherlands, that takes the lead in providing advisory services for local authorities. In integrated administrative systems, the ministry responsible for relations with generalist field administrators (e.g. the Ministry of the Interior) would normally have primary responsibility for rendering technical advice and assistance to local authorities.

The ministry or department of local government

237. Wherever there is a system of local government, there is likely to be need for a separate ministry, department or office to exercise general surveillance over relationships between the central government and local authorities and to co-ordinate proposed legislation and activities of the central government relating to local authorities. Such a special governmental agency is needed to maintain consistency in the detailed and complex relationships between central government and local authorities and awareness of the strengths and weaknesses of individual local authorities in order to be able to advise on proposed measures relating to them.

238. Where only these minimal tasks are performed, the responsible office is likely to be attached to the Ministry of the Interior or the Office of the Chief Executive - if there is one - and more often than not to be absorbed as much in political as administrative aspects of relationships with local authorities. This is a common pattern under dual systems of decentralization. It should be recognized, however, that the mere existence of such a politically oriented office can obstruct the establishment of one technically staffed to help local authorities.

239. Where governments expect local authorities to perform important services, as in comprehensive and partnership systems, they have usually established a separate ministry or department, not only to perform the minimum functions mentioned above, but also to serve as an advocate of the interests of local authorities within the government, to spur other governmental agencies and autonomous bodies, such as universities, to render assistance to local authorities, to encourage co-operative action by the local authorities themselves on common problems and, most important, to assist and supervise local authorities as may be necessary on matters outside the competence of other agencies. The role of such an agency is thus one of stimulating governmental and non-governmental agencies to render assistance to local authorities and of encouraging local authorities to co-operate with one another for their mutual benefit while, at the same time, supplementing their efforts, i.e., trying to do whatever else is necessary to meet the needs of the local authorities.

240. The advisability in a federal system of charging a ministry or department at the federal level with special responsibility for local government matters will depend on the extent of need for co-ordinating the local government relationships and activities of federal agencies. Where federal agencies have numerous contacts with local authorities, e.g. through grants-in-aid and other forms of financial co-operation, and where their activities have a direct impact on local problems and programmes, such a federal unit may be advisable. In India, responsibility at the federal level for urban local government is vested in the Ministry of Health and that for rural local government is vested in the Ministry of Community Development, Panchayatraj and Co-operation; the states, however, have the primary responsibility for local government and usually discharge it through a separate department or combine it with planning under the chief secretary.

241. A recent study in a number of newly independent countries in Africa and Asia concludes that wherever separate ministries of local government have come into being, a profound change is brought about in central-local relations. "The mere existence of a ministry to promote, advise, and supervise local authorities should (and usually does) make an enormous difference in the atmosphere in which local government works". 6/ The idea of staffing a separate ministry at headquarters and in the field to help as well as supervise local authorities is a relatively new development and one in which a number of developing countries are pioneering.

242. Responsibility for local government can also be effectively discharged by a ministry or department which also performs related functions, such as general field co-ordination, planning, community development and relations with hill tribes. The Working Group on Decentralization expressed the view that the

-70-

^{6/} Hicks, op. cit., p. 435.

Ministry of the Interior might be an appropriate ministry to handle local government affairs, provided it does not have police and other functions at the local level which would interfere with its task of protecting the interests of local authorities and of increasing their contribution to development. 7/ Activities such as local government are often developed within the Ministry of the Interior, or of Home Affairs or other ministry which combines many residual and general functions, and then, when they become important enough, are separated from it as separate ministries, sometimes in combination with related activities of the parent ministry. In some African countries, ministries of local government evolved, with the attainment of independence, from "departments of native affairs".

243. Where a new start is being made, it is inadvisable to place responsibility for local government in a ministry that already has responsibility for an important technical service such as education, health or social welfare. Such a ministry would be less able to give local government problems the attention they deserve, to co-ordinate the local government activities of other ministries responsible for technical services and, especially where rivalries exist between technical departments, to help other ministries make use of local authorities for the furtherance of their technical programmes. The ministry responsible for local government must be in a position to prevent over-enthusiastic technical ministries from loading local authorities with technical and financial responsibilities beyond their capability. It must be sure that when additional functions are devolved upon local authorities, funds are made available for the purpose. It must be above suspicion of partiality for its own programmes in acting on such matters.

244. The various ministries should maintain direct contacts with local authorities. They should not have to channel routine matters through the Ministry of Local Government. However, the latter should be informed of important proposed changes and of difficulties in relationships of other ministries with local authorities.

245. The organization of a new ministry or department of local government will, of course, depend on the functions it is expected to perform and the available headquarters and field staff. (See Annex III, sections H and K, for descriptions of the organization of the ministry in the United Arab Republic and in Western Nigeria.) The functions which such an agency should have will, in turn, depend on many factors including the extent to which other agencies, governmental and non-governmental, assist and supervise local authorities and the resources available. The respective responsibilities of the Ministry of Finance and the Ministry, or Department, of Local Government may pose special problems. There is usually need for establishing budget and accounting standards for local authorities, training fiscal personnel, co-ordinating the system of grants-in-aid, auditing the accounts of local authorities (if not otherwise carried out) and similar tasks. It is difficult to generalize on the organizational arrangements likely to be most

-71-

The Sudan decided to keep its Ministry of the Interior and Ministry of Local Government separate on recommendation of a commission, established in 1959, which felt that their functions were not only incompatible but also that the Ministry of the Interior would be unable to devote the necessary attention to local government due to the volume of other work. See Report of the Commission on Co-ordination Between the Central and Local Government, second edition (Republic of Sudan, undated), chap. V.

suitable for the performance of these tasks. Examples could be cited of different arrangements by which they are successfully being performed at present. However, as a general rule, where a new ministry of local government is being organized, the latter should encourage the Ministry of Finance to fulfil, in so far as practicable, the requirements of assistance and supervision in matters pertaining to local government finance and then, in collaboration with it, should supplement these as necessary.

- 246. Although the proper functions of a ministry or department of local government will depend on local circumstances, the following, which summarizes material found elsewhere in this report, may be useful as a check list:
 - (a) Drafting legislation providing for the power, duties, organization and other basic features of local authorities and co-ordinating legislative proposals affecting local government;
 - (b) Recommending or, as may be prescribed by law, effecting changes in the boundaries of local authorities;
 - (c) Providing leadership within the Government on matters pertaining to local government and otherwise co-ordinating measures of central government agencies relating to local authorities;
 - (d) Spurring local authorities individually and collectively to do the utmost on their own initiative to improve local services through such means as (i) encouraging contacts between local authorities, (ii) assisting in the organization of a union of local authorities and local government staff association, (iii) providing information on methods of administration of local services that have proved effective, (iv) informing local authorities about central government programmes of possible interest to them, and (v) drafting model procedures and by-laws;
 - (e) Fostering the development of a career service for local authority staff, e.g. by initiating legislation to establish a unified service for such staff, promoting the establishment of courses in local government at institutions for higher education and arranging for in-service training of local authority staff and, preferably through autonomous agencies, orientation for council members;
 - (f) Ensuring an appropriate share of taxing powers and grants for local authorities:
 - (g) Sponsoring arrangements to make loans available to local authorities at reasonable rates and to supervise borrowing by local authorities;
 - (h) Encouraging and, if necessary, assisting in planning by local authorities and in co-ordination of planning, especially physical planning, between levels of government;
 - (i) Providing technical assistance to local authorities in organization and methods, purchasing and stores management, maintenance of records and other staff services;
 - (j) Arranging for local authorities to be entitled to purchase material from the same sources of supply and on the same terms as the central government by appropriate provision being made in the latter's contracts with its suppliers;

- (k) Fostering the establishment and maintenance of standards in budgeting, accounting and other financial practices:
- (1) Inspecting the administration and (unless otherwise provided) the accounts of local authorities and imposing sanctions when necessary.

Local government public service commission

15

- 247. As mentioned in Chapter VI, a unified local government service provides a means for improving standards of local personnel administration, increasing career opportunities in local government and otherwise improving the quality of staff. Where such a service is to be established, an independent statutory board or commission will be required, insulated in so far as possible from the political and personal pressures that might otherwise develop around such matters as appointments, promotions, staff postings and disciplinary activities. The Commission should not, therefore, be subject to detailed control either by the Ministry of Local Government, to whom it may be ultimately responsible, or by the local authorities themselves. Comparative study of the unified local government service in different countries is needed. A sketch of the structure and functions of the service in Ceylon is presented below, with indications of significant ways in which those in Western Nigeria and Ireland differ. 8/
- 248. In Ceylon, the Local Government Service Ordinance of 1945 established a unified and transferable service for staff of all types of local authorities. The Ordinance, which was drafted in close consultation with the local authorities, established a Local Government Service Commission, chaired by the Commissioner of Local Government and composed of eight other members appointed by the Minister of Local Government - four directly and four after consideration of nominees from different types of local authorities. It vests in the Commission full powers over methods of recruitment, conditions of employment, appointments, promotions, transfers, interdiction, disciplinary action, dismissals, classification of posts, fixing of salaries and allowances, establishment of the Provident Fund, Widows' and Orphans' Pension Fund and other matters connected with administration of the service. All appointments to scheduled posts (i.e. officer posts paying an annual salary exceeding Rs. 1,200 in urban councils or Rs. 480 in town councils and village committees) must be made by the Commission. 9/ Local authorities are required to pay the salaries and allowances prescribed by the Commission for scheduled posts and to remit to the Commission contributions to the pension fund.

The material on Ceylon is based on the IUIA study on "Central Services to Local Authorities" (see foot-note 2 above); that on Ireland is taken from "The Local Government Service: Achieving a Single Service", a series of two articles by D. Turpin, Establishments Officer of the Department of Local Government of Ireland, Administration, Journal of the Irish Institute of Public Administration, vol. 2, No. 4 (Winter 1954-55) and vol. 3, No. 1 (spring 1955); and the material on Western Nigeria is drawn from the paper on decentralization there by J.M. Beckley (see Annex III, section K) and from other information supplied by Chief Beckley.

^{9/} There are about 8,000 persons in the service and about 7,000 "non-scheduled" employees who were not appointed by the commission and therefore not subject to its protection; of the latter, 5,000 are daily paid employees and the rest are lower paid officer posts.

249. The Commission has delegated certain of its powers to the mayors and chairmen of local authorities, including power to transfer staff within a local authority, to reprimand, to fine up to one week's pay and to suspend. The Commission conducts open competitive examinations annually for clerical and technical posts in the unified service. It also holds tests as a basis for promotion. It maintains close relationship with the public service commission for central government personnel and often borrows the latter for special assignments. When a vacancy exists, the Commission ascertains whether the local authority desires to have it filled before acting. The chairmen of councils reportedly desire a greater role in the selection of officers and complain that the appointment process is slow. On the whole, however, the unified service has proved successful in remedying the main defects of the earlier arrangement under which, because each local authority had complete control over its employees, nepotism and political favoritism were rife and capable persons were either not attracted to the service or lacked incentive to do their utmost, since there was no opportunity for promotion outside their local authority without loss of service benefits. 10/

250. The Unified Local Government Service of Western Nigeria, established by law in 1952, has similar purposes to that of Ceylon but also has some noteworthy differences. The Local Government Service Board consists of a chairman and three other members appointed by the Governor (acting on behalf of the regional government). 11/ The service comprehends all local authority posts declared by regulations of the Governor-in-Council to be "superior posts", an arrangement which would seem more adaptable to the needs of a career service than Ceylon's method of defining scheduled posts. There is also a Non-Unified Local Government Service in Western Nigeria for staff of councils who are not liable to transfer between councils and are not under the Board's jurisdiction. The Establishment Division of the Ministry of Local Government prescribes their conditions of service and sees that they are observed by the councils which are responsible for administering them. 12/

251. The unified local government service of Ireland, perhaps the first to be established, was rooted in the movement for independence at the turn of the century. 13/ It is more complex than those of Ceylon and Western Nigeria,

-74-

^{10/} The Report of the Commission on Local Government (Sessional Paper XXXIII, 1955) states that in the oral and written representations made to it, there was virtually no demand to abolish the Local Government Service Commission. There were, however, recommendations for major changes in its composition, but the Commission on Local Government rejected these and suggested only a reduction in membership to six appointed members, with a slight change also in the organizations which could propose nominees. It also recommended the creation of a full-time, paid, official Deputy Chairman.

Decisions of the Board are by majority vote of the Chairman and the members present, with the Chairman having a second or casting vote in case of a tie.

^{12/} Local Government (Staff) Regulations, 1960, Supplement to Western Nigeria Gazette, vol. 9, No. 58 (November 10, 1960).

The Constitution of Sinn Fein had as one of its aims the "creation of a National Civil Service, embracing all the employees of the county councils, rural councils, poor law boards, harbour boards and other bodies responsible to the Irish people, by the institution of a national qualifying examination and a local competitive examination". For the story of the evolution of the service, see "The Local Government Service: Achieving a Single Service", in Administration, op.cit.

reflecting its gradual evolution. Its immediate forerunner was a common pension scheme, established in 1925, which enabled pensionable officers to transfer between local authorities without loss of pension rights. 14/ The unified service took definite shape in the Local Authorities (Officers and Employees) Act of 1926, which established a system of open and competitive selection of persons for appointment or promotion to local authority posts. The establishment of the manager plan in city and county government in the 1940's both supported, and received support from, the idea of a local government service.

- 252. The Act of 1926 created a Local Appointments Commission composed of not more than three members appointed by Government. The Commission is charged with selecting qualified persons to local authority posts to which the Act is made applicable by ministerial order. The qualifications for these posts, which now include the city and county manager, other senior executive officers (e.g. county secretary and town clerk) and all professional posts, are prescribed by ministerial regulation. Promotions as well as new appointments are made in the same way. The Commission, on the basis of competitive interview by experts, including senior officers of local authorities, selects candidates who are then appointed by the local authorities and hold office pursuant to law. Over the years the Commission has won a high reputation for impartiality and integrity in selection for appointments. 15/The cost of administering this programme is met by levies on local authorities in the proportions of property valuations in their areas for tax purposes.
- 253. Uniformity of pay scales and other conditions of service is being achieved through regulations of the Ministry of Local Government, issued pursuant to laws which require councils to adhere to them. Officers are also authorized by law to appeal to the appropriate ministry against actions of their councils affecting their remuneration, duties or conditions of service a valuable safeguard against their being victimized.
- 254. With respect to posts not subject to selection by the Local Appointments Commissioners, the Minister of Local Government is authorized to prescribe the procedure to be followed by local authorities in obtaining candidates and making appointments. This procedure usually requires public advertisement of vacancies and a competitive examination. Matters pertaining to staff are under the control of the city and county managers who act independently of their councils in such matters other than general pay changes. The conditions of employment of certain categories of officers vocational educational and agriculture are regulated by the respective ministries pursuant to separate acts. Thus, there is not a common code of laws applicable to all in the local government service, but the large majority (77 per cent) is covered by a common set of rules. Moreover, the concept of merit as the basis for appointment and advancement and conditions permitting easy transfer of personnel between local authorities have been established throughout the service.

Local government training institution

255. In a number of countries in Africa and in some countries in Asia, the ministry or department responsible for local government affairs administers training schools and, through local government inspectors, auditors and financial and administrative

^{14/} In 1948, provision was made for transfer in certain circumstances of accrued superannuation rights from the national civil service to the local service and vice versa.

^{15/} Administration, op.cit., vol. II, No. 4, pp. 93-94.

officers, provides on-the-spot training for local government staff. 16/ The latter can be a highly valuable method of training, conducive not only to improvements in local government administration but also to good relations between officers at different levels. Government fellowships abroad are also a useful means for in-service training of most senior officers and for advanced education of the most promising entrants to the service.

- 1

- 256. Institutional training within the country is also essential, however, if the large majority of local government staff is to develop knowledge, skills and perspectives beyond the needs of their immediate tasks. Whether or not directly administered by government, institutions which provide in-service training to local authority staff should preferably have their own residential buildings since most trainees will be unable to commute from their homes and should be linked with a related educational training institution (an institute of public administration or a university) from which it can borrow staff and otherwise derive intellectual stimulus and support. In Western Nigeria, the College of Science, Arts and Technology at Ibadan, which is affiliated with the University, both offers a course leading to a diploma in public administration and serves as the Training Division of the Ministry of Local Government. It provides comprehensive courses in local government subjects, including courses for executive officers of the Ministry of Local Government and for administrative, executive and clerical staff of local government councils.
- 257. As mentioned earlier, there are autonomous local government training institutions in some countries (e.g., Brazil, Japan and the United States) which not only provide training for staff but also conduct research and render services to local authorities similar to those performed by ministries of local government elsewhere. One of these institutions is the Brazilian Institute of Municipal Administration (Instituto Brasileiro de Administração Municipal - IBAM), established in 1952, with the sponsorship of the Brazilian Association of Municipalities, to improve municipal administration in Brazil. It is a private, non-profit organization, whose members - individuals, state and municipal governments and others - elect the Administrative Council and Board of (Fiscal) Control. The Executive Director is appointed by the Administrative Council. The Institute is financed from funds contributed by state and local governments, an annual subsidy from the federal government and revenues from the sale of its publications, from contracts and from charges for research, training and other services. The following activities of the Institute in 1960 and 1961 illustrate the role that an autonemous institution can play in improving local government. 17/
 - (a) It rendered direct technical assistance in organization, personnel and budgeting to sixteen municipalities.
 - (b) It responded to over 250 queries in writing from municipal officials on such matters as adapting the Institute's model tax code to local conditions, legal opinions on employees' rights and drafting of ordinances.
 - (c) It provided training as follows: (i) special courses for Latin American municipal officials, as part of Brazil's contribution to the United Nations

76- /...

^{16/ &}quot;Note on Local Government Training", background paper prepared for the 1961 Cambridge Conference on Local Administration in Africa. See also Summer Conference on Local Government in Africa, op.cit., pp. 41-47.

^{17/} Newsletter, Brazilian Institute of Municipal Administration, March 1962.

Technical Assistance Programme; (ii) study conference on modern budgeting techniques and municipal taxation, held at the request of the state of São Paulo, for municipal and state officials; (iii) an intensive course on supply administration for officials of Brasília and twelve municipalities; (iv) study conference on taxation for municipalities interested in adopting IBAM's model tax code; IB/ and (v) workshop on pension administration for heads of pension organizations in large Brazilian municipalities.

- (d) It published a bi-monthly magazine with sections on town and regional planning, municipal finance, legislation and review of publications and also published books and pamphlets on special topics;
- (e) It sponsored the annual competition to honour the "best administered" municipality;
- (f) It carried out, among other studies, a comprehensive study of the organization and functions of Brazilian municipalities. 19/

A lcans agency for local authorities

- 258. The advisability of having a special agency to make loans to local authorities at reasonable rates was discussed in chapter VII. An adequately capitalized and staffed loans agency not only speeds improvements of basic facilities but also increases capital formation at the local level. These agencies may be classified broadly into three categories: loan agencies established and controlled by Government; agencies established by Government but functioning as autonomous agencies; and credit co-operatives formed and controlled by the local authorities themselves, with or without central government participation. Further comparative study of these agencies is needed. 20/ The sketches below are presented to illustrate the organization, method of financing and functions of each of these types of banks. 21/
- 259. A good example of a local government loans agency established by central government is the Local Government Loans Authority of Kenya, which was established in 1953 and was the forerunner of a similar loans agency in Uganda. It can make

-77-

^{18/} Modelo de Codigo Tributario, 2a. Edicao, 1961, 145 pp.

^{19/} Municipios Brazileiros - Atividades e Organizacao Administrativa, 1960, 233 pp.

^{20/} The Workshop on Urbanization in Africa, held at Addis Ababa, April 26-May 5, 1962, under the auspices of the Economic Commission for Africa, recommended "that the United Nations ... make information available to African governments on the organization and functions of national credit agencies or institutions for local authorities". It also recommended that international loan agencies give favourable consideration to requests of African governments for urban development projects.

The material on European banks was drawn mainly from a paper entitled "Municipal Credit Banks" presented to the Working Group on Decentralization by the International Information Center for Local Credit, a non-governmental body with headquarters at The Hague. The Information Center, only recently established, serves as a clearing house for special loan agencies for local authorities.

loans to local authorities for purposes for which they are authorized to borrow money. However, another agency, the Central Housing Board, lends money to local authorities for housing projects. The Loans Authority also acts as agent for the African Land Development Board in advancing loans to African District Councils for agricultural projects. 22/

- 260. The Authority administers a Local Government Loans Fund, which is a revolving fund. Its capital at the end of 1961 was almost £9,000,000, of which about £1,600,000 represented an interest-free grant by the Government, £700,000 represented accumulated surpluses of revenues over expenditures and the balance was made up of repayable development loans (£4,000,000), deposits from local authorities (£1,000,000) and loan repayments available for relending (£800,000). Approved loans totalled £7,600,000 for community facilities, such as sewerage and drainage, water supplies, roads, street lighting, markets and slaughterhouses, municipal buildings and health centres. Local authorities draw upon approved loans according to a plan authorized by the Ministry of Local Government. 23/
- 261. The Authority consists of the Minister for Local Government and Lands, who is chairman, a representative of the Minister for Finance, the Fermanent Secretary of the Ministry for Local Government and Lands, the Principal Local Government Inspector and three members appointed by the Minister for Local Government, two of whom are private citizens. The administrative duties of the Authority are discharged by a Senior Local Government Financial Officer, assisted by an officer in the executive cadre of the Local Government Division. The Authority pays the Ministry of Local Government an amount to cover their salary and emoluments.
- 262. An example of the second type of bank an autonomous agency established by Government is to be found in the Institute for Development of Municipalities (Instituto de Fomento Municipal) of Guatemala. It was established by law in 1957 as an autonomous public body and was given broad responsibilities to promote the progress of municipalities by affording them technical as well as financial assistance. 24/
- 263. The Institute serves as a depository for the proceeds of a tax of eight centavos imposed on every litre of aguardiente (the local alcoholic beverage) consumed. The tax applies in all municipalities except Guatemala City. The

-78- /...

^{22/} Based on information provided by the Ministry of Local Government of Kenya. See also the annual reports of the Local Government Loans Authority, Colony and Protectorate of Kenya.

^{23/} The National Municipal Bank of Norway (Norges Kommunalbank) is another bank of this type. The Bank cannot loan more than ten times its capital plus half its reserves, but, with the approval of Parliament, the central government can increase the basic capital of the bank and the bank can then issue medium and long-term debenture loans for marketing at home and abroad in order to increase the amount of capital available for loans. The central government guarantees these debentures. The Municipal Bank not only makes loans to local authorities but also guarantees loans which they obtain elsewhere.

^{24/} A similar autonomous bank was established in Honduras in 1961, with the assistance of a United Nations expert in municipal administration.

proceeds, amounting to about \$600,000 annually, are credited to the municipalities from which they are derived, but they cannot be withdrawn and form part of the capital available to the Institute for loans. The Institute is also assigned a portion of the funds appropriated by the Congress to assist municipalities. During the fiscal years 1961 and 1962, \$250,000 annually has thus been made available to the Institute. In addition to these sources of funds, the Institute may borrow money and may receive contributions for special purposes from the State. It is also able to retain its earnings. In August 1962, its capital amounted to \$3,073,000. Municipalities are required to use the banking facilities of the Institute or other institutions designated by the Institute.

264. The Governing Board of the Institute consists of three members: the chairman, whom the President of the Republic appoints; the vice-chairman, who is appointed by the governing body of the National Association of Municipalities; and a third member whom the national Monetary Board appoints. The Board nominates and the President appoints the Manager of the Institute.

265. The Institute loans money to municipalities for construction of community facilities and purchase of machinery and equipment. It is also the principal source of technical assistance for local authorities. It prepares, without cost of the municipalities and for their approval plans and specifications for the construction of community facilities. It also renders legal, engineering, purchasing, budgeting, accounting, revenue and other services to municipalities. It collaborates with the Pan American Health Organization and the Public Works Department in financing the construction of water and school facilities. Municipalities are required, by law, to seek the assistance of the Institute under certain circumstances and are entitled to enlist the help of the Institute in obtaining compliance with municipal regulations and contracts.

266. The third type of bank is the credit co-operative for local authorities. The oldest bank of this type is the Crédit Communal de Bélgique, which was established over a century ago as a limited liability company. Its shares are held by the provinces and municipalities, which are also its customers. It also makes loans to institutions which obtain provincial or municipal guarantees for such credits.

267. The bank started without any paid-up capital. It has from time to time floated loans on the open market. It also sells "cash certificates" subject to repayment within one to ten years, receives savings deposits from private persons and serves as a depository for funds of most provinces and municipalities. In the early years when a loan was made, the borrowing local authority was required to purchase capital stock in the amount of 5 per cent of the amount borrowed. The purchase was effected simply by the bank retaining 5 per cent of the loan and giving the local authority capital stock in that amount. In 1911, this obligation of borrowers was lightened and in 1948 subscriptions to share capital were discontinued altogether. In 1959, its fully paid-up capital stood at over B.fr. 560,000,000, and in order to allow provinces and local authorities with few or no shares to become shareholders, the capital stock was being increased to B.fr. 700,000,000.

268. The management and supervision of the bank is vested in the general meeting of shareholders, the board of directors, the supervisory committee and the central government member on the board. The board and committee are elected by the general

meeting of shareholders. The managing director is appointed by the board. The director, who is appointed by the Belgian Government, has wide supervisory powers and can oppose any measure that is contrary to law, to the bank's Articles of Association or to the interests of central government or local authorities.

269. The Bank for Netherlands Local Authorities is similarly constituted, the main difference being that 50 per cent of its shares are held by the central government. The Government appoints two of the twelve directors; at shareholders' meetings, it has no more than six votes - the same as a local authority with twenty-eight shares valued at 1,000 guilders; and a number of transactions are subject to its approval. These stipulations reportedly do not hamper an independent banking policy. Moreover, participation by the State facilitates co-ordination between credit demands of the central government and local authorities. 25/

270. A similar credit institution, called Otzar Hashilton Hamekomi, was established in Israel in 1954 as a joint stock company of the local authorities, without participation of any other capital. The Government aided it in its early years by using it as a channel for development loans to the local authorities. In 1960, the founders' shares were distributed equally between the local authorities, the Ministry of Finance and three of the largest financial institutions in Israel. The co-option of Government and bank representatives to the Board has reportedly enabled the institution to benefit from their ample experience and has considerably enhanced its credit potential. 26/ The bank grants loans not only for waterworks, education, sanitation and other community facilities but also for economic and commercial enterprises which the authorities establish. Moreover, it helps the local authorities in other ways besides loans.

Association of local authorities

271. A voluntary association, or union, of local authorities can be an important source of assistance and stimulation to individual local authorities. Such associations have been established in forty-two countries located in all parts of the world. 27/ Some were formed to fight an unpopular national measure, others to share experiences that would help them implement new national legislation or to join hands in combatting a common problem. Despite the different reasons for their establishment, they have been sustained by the same general purpose, namely, to represent the common interests of the municipalities, to foster the exchange of experiences among them, to improve the efficiency of their administration and to advise the central government in the preparation of such laws and regulations as would advance the common interests of the local authorities. 28/

^{25/} Vogel, A., "National Institutions for Municipal Credit", <u>IULA Quarterly</u>, vol. IX, No. 3 (September 1957).

^{26/} Otzar Hashilton Hamekomi, "The Bank of Israeli Local Authorities", Bulletin of the International Information Center for Local Credit, April 1962.

This material is drawn mainly from the very useful study entitled National Associations of Local Authorities Throughout the World, published by the International Union of Local Authorities, The Hague, 1956.

^{28/} Ibid., pp. 17-18.

- 272. There are striking differences in the organization and financing of these associations. The most common features are as follows:
 - (a) Types of association: where there is more than one type of local authority in a country, there may be separate associations or sub-divisions of a single association for the different types. In a federal system, there may be a federation of state associations. 29/ Occasionally, rival associations are formed in the same country, which weakens the ability of both to cope with common problems.
 - (b) Governing body: most national associations have a general assembly of members which meets annually to set broad policy and to elect officers and an executive committee.
 - (c) Financing: a common method of financing associations is through dues levied either according to the population of the local authorities or in equal amounts on all members. Some assess members a certain percentage of their valuation of real estate or of their total revenues, thus applying the principle of ability to pay. Some associations have no income whatsoever. One association (in the United Kingdom) allows each of its members to decide what its contribution will be. Some associations receive funds from the central government and some charge members for services.
 - (d) Staffing: Differences in size of staffing is indicative of the wide differences in services rendered by the associations. About half have fewer than ten employees; at the other end of the scale, five have more than eighty employees four of these associations are in Europe and the other is in the Dominican Republic, in Central America. The Netherlands Union of Municipalities has over 500 staff members.
 - (e) Services: Most associations perform the functions that these co-operative organizations are especially well-suited to perform, such as promoting municipal interests vis-à-vis higher public authorities, convening conferences of local authorities, serving as a clearing house of information and providing advice on matters of general interest to members. The larger associations perform a wide variety of other services, not unlike those listed in paragraph 246 which in other countries may be performed by a ministry or department of local government. For example, the Netherlands Association maintains special sections and bureaus whose functions can be inferred from their titles: the Central Bureau for Financial Verification (control) and Advice, the Records Management Office (for municipal archives), the Eureau for Modern Personnel Management, the Central Purchasing Office, the Publishing Department, which publishes several periodicals and books, and the Bureau for Technical Advice, an autonomous agency under contract with the Union.
- 273. Clearly, associations of local authorities not only can supplement the advice and technical aid available to their members from other sources but also, under certain conditions, may become the principal source of such assistance.

^{29/} There are also organizations of national associations on a regional and international level (e.g., the Inter-American Municipal Organization and the International Union of Local Authorities).

Professional and staff associations for local authority personnel

- 274. Another potentially important influence for improving local government in a country is the organization of local authority personnel in one or more staff associations and professional societies. A staff association may represent a particular level, a professional specialty or the interests of local government staff generally either in a given class of local authorities or in all local government units. Its functions may be confined to those of a trade union type, such as are involved in improving salaries and other conditions of employment of staff, or they may also comprehend training and other activities contributing towards professionalization of the service and improved administration. Staff associations can thus have much in common with professional societies, such as a society of town clerks or of municipal finance officers, which usually emphasize professional aspects but also in many cases seek to improve conditions in their service.
- 275. A distinction can be drawn between the two types of organization on the basis of their respective roles in negotiations with employers, i.e. the local authority councils individually or collectively through unions of local authorities. The staff association would have a major and direct role while the professional society, if it has any role at all, would have a lesser and indirect one.
- 276. The financing of publications and other activities of professional societies often poses a problem. Where there is a unified service for all types of officers, the secretariat of the staff association may provide a convenient secretariat also for professional societies. Where no such unified service exists, the secretariat of the union of local authorities may also be suitable for the purpose.
- 277. One of the most notable staff associations, within the context of this chapter, is the National Association of Local Government Officers (NALGO) in the United Kingdom. 30/ Established in 1905, it has substantially influenced the development of staff associations in a number of other countries. It is recognized as a trade union, but it has avoided formal affiliation with other labour organizations which might affect its political neutrality. Its membership extends to all administrative, professional, technical and clerical employees of all classes and grades in all types of local authorities. Moreover, it has retained as members the personnel of services, now nationalized, which were previously performed by local authorities. The ratio of actual to potential membership is about 90 per cent and the majority of chief officers are members. Recruitment is voluntary.
- 278. The Association is organized on a territorial rather than occupational or class basis. Its policy is controlled by its Annual Conference, comprising in the main representatives of 1,200 branches. Its Executive Council is made up for the most part of members elected from the membership in twelve electoral areas. In each of these areas, District Committees have been formed, composed of representatives of the branches, to look after the branch layout and activities in their areas, to facilitate communications between the branches and the Conference and Council and to advise those on the staff side of negotiations with

-82-

^{30/} The material presented here on NALGO is drawn from The Local Government Service by J.H. Warren (London: George Allen and Unwin Ltd., 1952), pp. 128-140.

representatives of local authorities. Professional societies, though self-governing, are associated with NALGO in various ways and collectively constitute a Joint Consultative Committee, which serves in an advisory capacity to the various organs of the Association. The principal officers of the Association are a General-Secretary, a standing deputy and department heads who are appointed by the Executive Council and are responsible to it in much the same way as a local government officer is to his council. The Association is thus controlled by its membership and draws heavily on its members for voluntary services.

279. The activities of the Association are designed to serve not only the welfare of its members but also the cause of good government. In addition to its activities that are distinctive to trade unions, the Association offers correspondence courses, runs summer schools at home and abroad and week-end schools on a provincial basis; issues reports of general public interest, such as on the structure of local government and on relations of the local authority to the public and the Press; publishes a monthly journal; maintains a Benevolent and Orphans' Fund, a convalescent home, two holiday centres and a private hotel; provides facilities for a Building Society, a Provident Society, and an Insurance Society, to which its members may belong; and has close ties with universities and professional bodies in matters of common interest.

280. NALGO demonstrates how a staff association can give form and vitality to the local government service in a country. In addition to staff and professional organizations at the national level, international and regional professional organizations in various fields associated with local government, such as the International Federation for Housing and Town Planning, the East Asia Regional Organization for Planning and Housing, the Inter-American Planning Society, the International Union of Architects and the International City Managers' Association, can further enrich local government service and should therefore be encouraged.

International technical assistance

- 281. Technical assistance may be helpful to Governments in developing these central agencies for rational decentralization and improvement of local government. Through United Nations and other multilateral and bilateral programmes, technical assistance is available for basic surveys of systems of decentralization, including areas for field administration and local government and relationships between central government and local authorities; for assistance in drafting basic national legislation providing for the organization, powers, functions and financing of local authorities; and for assistance in organizing and administering the central agencies discussed in this chapter. Where qualified local personnel are not available for key posts in such agencies, Governments may be able to obtain personnel from abroad through the United Nations programme for provision of operational and executive personnel (OPEX), until local personnel can be trained for the purpose. Moreover, fellowships are available for advanced education and training abroad for senior officers and the most promising young officers of such agencies and local authorities. The Division for Public Administration, Department of Economic and Social Affairs, has primary responsibility within the United Nations for providing technical assistance in this field.
- 282. The Working Group on Decentralization recommended that the United Nations, in addition to providing technical and other forms of assistance to Member Governments, should carry out the following regional and inter-regional activities

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to stimulate exchange of information among responsible officials and to advance knowledge of better methods of decentralization:

- (a) Regional seminars for senior officers of ministries and other central agencies concerned with improvement of local government, using this report and the previously mentioned comparative study of "Central Services to Local Authorities" as starting points for discussion:
- (b) Study tours to enable these officers to visit countries in other regions which have had significant experiences in decentralization of technical services and in the development of the central agencies of particular interest to them and dissemination of the observations of these officers regarding the relevance of these experiences to their countries; 31/
- (c) One or more pilot projects in the use of correspondence courses for in-service training of field officers of central agencies and local government staff, perhaps in conjunction with interested institutes of public administration which are already receiving technical assistance from the United Nations;
- (d) Comparative studies of the following topics related to decentralization, some of which have been previously mentioned:
- (i) Organization of special regional development schemes and their relationship with the national Government, field units of central agencies and local authorities;
- (ii) Administration of public services and representation in local government councils for nomadic groups and special ethnic groups, such as hill tribes, living in relatively isolated areas;
- (iii) Minimum areas for optimum efficiency of administration of technical services under different types of circumstances;
- (iv) Personnel systems for local authorities, especially the unified local government service, in the more developed as well as developing countries;
- (v) Training programmes for local authority staff, including facilities for advanced training abroad; and
- (vi) Loans agencies for local authorities under different circumstances prevailing in developing countries.
- 283. This study confirms the need pointed out in the earlier study of public administration aspects of community development programmes 32/ for testing

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A good example of this type of study tour and report is that of senior officers of the Government of India who visited Yugoslavia. See Report on Local Government in Yugoslavia, issued by the Ministry of Community Development and Co-operation, Government of India, 1960; and The Communal System of Yugoslavia, by B. Mukerji, Indian Institute of Public Administration. 1960.

^{32/} Op.cit., paras. 107 and 155-157.

prevailing concepts or assumptions regarding: (a) local government structure and functioning, such as the composition of local councils, organization for administration of local authorities and methods of collecting local authority taxes; and (b) methods of improving field administration, such as inducements for work in rural areas and arrangements for decentralizing treasury operations in areas where banking facilities are not available.

In conclusion, the Working Group on Decentralization stressed the value of international exchange of information between administrators and scholars on methods of decentralization, especially on the use of local authorities to accelerate social and economic development. The Group recognized the ending of an era of substantial isolation in the evolution of national governmental systems, one in which the emphasis in central-local relations has often been placed either on "central control" or "local autonomy". Where central governments are willing and able to dedicate themselves to improving the living conditions of their people and to encouraging popular participation in civic affairs, the terms "partnership", "interdependence" and "unity of purpose" are more suggestive of the principles which should underlie relationships between units at all levels. Thus, in developing countries where representative governments replace alien or oppressive rule and are responsive to the surging desire of people for a better life, national entities - both governmental and non-governmental - are exploring ways of joining hands with local communities to foster national and local development. Through the United Nations and other agencies, they are able to tap the resources of the world community in this endeavour. 33/

-85-

Emil J. Sady, "Improvement of Local Government and Administration for Development Purposes", Journal of Local Administration Overseas, vol. I, No. 3 (July 1962), p. 148.



ANNEXES

-87-

ANNEX I. TERMINOLOGY

Definitions of key terms as used in this report

Central government: the headquarters of technical services or the level of government responsible for relations with local authorities (usually the national government in a unitary system and the state government in a federal system).

Community development: this term refers to "the processes by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress". 1/ The term "community development programme", as used in this report, comprehends the activities of one or more government agencies in stimulating the self-help effort of the people, in providing technical and material assistance to make such effort effective and in associating the people generally with government activities.

Decentralization: this term refers to the transfer of authority on a geographic basis, whether by deconcentration (i.e. delegation) of authority to field units of the same department or level of government, or by devolution of authority to local government units or special statutory bodies. This meaning, although differing from that of the French term decentralisation, is one given to the term in a number of countries and is useful for the purposes of this report.

Forms of decentralization: patterns of field administration and local government in most developing countries can be classified as follows:

- (a) Comprehensive local government system, in which most government services at the local level are administered through multi-purpose local authorities. A concept of substantial unity of purpose among representative bodies at all levels underlies the system. Local authorities perform some functions pursuant to general statutory authority and others on behalf of central ministries. The distinguishing feature of this system is that local authorities render all, or almost all, direct agricultural, educational, health and social welfare services that reach the individual.
- (b) Partnership system, in which some direct services are rendered by field units of central agencies and others by local authorities. The local authorities perform some functions more or less autonomously, pursuant to general statutory authority, and they perform others on behalf of and under the technical supervision of central ministries.

 $[\]frac{1}{2}$ Official Records of the Economic and Social Council, Twenty-fourth Session, Annexes, agenda item 4, document $\frac{1}{2931}$, annex III, para. 1.

- (c) <u>Dual system</u>, in which central ministries administer technical services directly, with local authorities having autonomy legally to perform local services and to do what they can to foster local development but actually performing few if any technical services, either directly or on behalf of central agencies.
- (d) Integrated administrative system, in which central government agencies directly administer all technical services, with central government area co-ordinators or district administrators responsible for field co-ordination. Such rural local authorities as exist have little control over government activities and staff in their areas.

Local government or local authority: these terms are used interchangeably (usually "local government" refers to the system and "local authority" to the unit) to refer to a political subdivision of a nation or (in a federal system) state which is constituted by law and has substantial control of local affairs, including the power to impose taxes. The governing body of such an entity is elected or otherwise locally selected.

<u>Special statutory bodies</u>: representative bodies created by statute in order to supervise, guide or otherwise be associated with centrally administered services at one or more field levels.

Technical services: services (such as agricultural extension, education, health and social welfare) which require substantial co-ordination at the local level, popular participation, adaptation to local circumstances and technical support from higher levels. They are distinguished from what might be termed (a) "centralized field services" (such as postal and telecommunications services), which lend themselves to highly centralized forms of field administration and in some cases to an area organization distinct from that of most other government services; and (b) "local services" (such as construction and maintenance of local roads), which can be performed effectively by local communities without technical support or supervision from higher levels. As technically qualified personnel become increasingly available at the local level, some "technical services" or aspects of them become "local services".

ANNEX II

OPTIMUM AREAS FOR ADMINISTRATION OF TECHNICAL SERVICES

SECTION A. EDUCATIONAL ADMINISTRATION

Optimum areas for educational administration in rural communities*

1. If the fundamental situation in education is the relationship between a teacher and a group of pupils and if the basic education unit is the school, i.e., one or more of such teacher/pupil groups in close relationship on the same site, it would seen that the educational process offers every opportunity for decentralized administration in so far as essentially it is based upon intimate human relationships. Indeed, the personal factor in education is so significant, both qualitatively and quantitatively, that some educationalists have been tempted to discount the weight normally given by administrators to the claims of centralization or decentralization as measures of efficiency or democratization. Sir Fred Clarke, for example, writing in 1933, said:

"It would appear that flexibility, diversity, sensitiveness to the local life, vigorous distinctiveness and such-like desirable qualities have much less relation that we might suspect to the form of the administrative system. They seem to depend much more upon other factors, such as the quality and training of the teaching personnel, the degree to which the teacher is independent of local jealousies and prejudices, the extent to which he is supported and encouraged by the more enlightened members of the community, and, above all, upon the philosophy of education which animates the whole system and finds its expression through the inspectors. ... The same conclusion would seem to be that there is no absolute choice between the two systems, the centralized and the localized ... and the only true test for any community to apply is the quality of the actual work and product of the schools themselves." 1/

- 2. Attractive though this dismissal of the problem may seem, it can in fact do little more than serve as a constant reminder that the human element is an everpresent and incalculable factor in every phase of education and that discussions of educational administration, particularly in developing areas, are singularly barren unless they are closely related, on the one hand, to the children and to those who teach them, and on the other, to the community which has produced the children and whose future will be shaped by the product of the community's schools.
- 3. In this study it is proposed, therefore, first to outline the functions which constitute educational administration and then to trace the location of responsibility for exercising these functions in a variety of educational systems

-90**-**

^{*} Prepared for the Working Group on Decentralization by Howard Hayden, Head of the Division of Comparative Education, Department of Education, UNESCO.

^{1/} Sir Fred Clarke, The Year Book of Education 1933 (London, Evans Bros., 1933), quoted by A.E. Campbell, in The Administration of Education in New Zealand, Ed. by G.W. Parkyn (Wellington, New Zealand Institute of Public Administration, 1954), pp. 40-41.

- whether (a) a system of local control by the small but sturdy school districts to be found in many parts of Canada and the United States; (b) the typically British compromise of divided responsibility between a central authority (the Ministry of Education) and the local education authorities (the County and County Borough Councils); or (c) the "integrated administrative system" such as obtained in France, Thailand or the Australian States.
- 4. From these exercises it should prove possible, after a general review of the cases to be made for centralized and decentralized procedures, to arrive at some decisions as to which educational functions appear to fall more logically or more effectively within a decentralized system and whether central control has been broken down by deconcentration of authority to field units of the central government or by devolution of authority to local government units or special statutory bodies.
- 5. The next step will be to assemble these elements and from them design a system of educational administration based upon a viable unit of local administration, the quantitative basis being provided by the technical requirements of the units thus established on standards appropriate to developing countries.
- 6. It will be necessary to outline such a pattern of administration in its simplest form, since the variables in any one situation will certainly demand individual modifications of detail, particularly with respect to the length of the compulsory primary course and the range, flexibility and content of secondary education. However, particular care will have to be taken to build in two constants: the system must have roots spread widely and deeply enough to tap public interest and support at the local community level; and it must confer, at its lowest tier, sufficient authority to enable rapid adjustments to be made in adapting the contribution of educational provision to a complex of community life continuously under pressure from the wide range of services now being offered by Governments of emergent countries.

The functions of educational administration

- 7. Charts of administrative organization in ministries of education are normally constructed on a vertical basis from minister to janitor which has the advantage that the line of formal authority descending through the system can be clearly traced, though no indications can be given of the magnitude of the decisions which can be taken at any given level or have to be referred and how far up the line they have to go. It will, however, be more convenient for our purpose, since our ultimate task is to proceed from function to form, to make a horizontal survey of the functions a ministry or department may be called upon to perform in implementing the requirements of educational legislation.
- 8. Thus, though the form of a typical ministry may be shown by its division into departments charged with primary education, secondary education, technical education, adult education, research and special services, finance and business administration, and construction and maintenance, we shall, for example, consider all operations concerned with teaching staff as one administrative function, though in actual practice it is probable that the first five of the departments listed above will each have a responsibility in this area. Nevertheless, in the rural community we should first consider what services ought to be provided before deciding how they should be provided.

- 9. Educational administration has been defined as "the art of enabling the right pupils to receive the right education from the right teachers at a cost within the means of the State, under conditions which will enable the pupils to profit by their training" 2/ It is perhaps possible that the following outline of the major functions of educational administration is only an elaboration of this thesis:
 - (a) Planning, including co-ordination with the national economic planning authority and with other ministries or departments; statistical services, research activities and special reports; information and public relations services.
 - (b) Finance and administration, including collection and distribution of funds (departmental expenditure, salaries, pensions, etc.); financing of scholarships and grants; preparation of budget and control of and accounting for expenditure; administrative services (Boards of Governors, School Committees, etc.).
 - (c) Buildings, including siting, planning, construction and maintenance of buildings.
 - (d) Equipment, including selection, purchasing and maintenance of furniture and equipment; selection and distribution of textbooks and other publications and of school supplies.
 - (e) Teaching staff, including training; certification; conditions of service; recruitment, transfer, promotion, dismissal and resignation; inspection and advisory services.
 - (f) Pupils, including regulations, attendance and discipline; organization and conditions of levels of system (vocational and technical education and apprenticeship, art and commercial education, etc.); examinations and reports; curriculum, syllabus and time-table.
 - (g) Special services, including services for handicapped children; school meals and transport; library, museum and audio-visual services; vocational guidance.
 - (h) Further education, including adult education; liaison with social service organizations and voluntary bodies. 3/
 - 10. Higher education is not included in this outline. If universities are autonomous or subject to ad hoc councils, they fall outside the province of the

^{2/} Sir Graham Balfour, quoted by I.L. Kandel, Educational Administration, Oxford, The Clarendon Press, 1921, p. 38.

In view of the increased importance of this area in developing rural communities, "Further education" is shown as a separate administrative structure with respect to its field activities. In practice, as often as not, most of the functions here listed may be dispersed among a number of other authorities, such as the Ministry of Social Welfare, the Ministry of Agriculture (Young Farmers' Clubs, 4-H Clubs) or the Ministry of Labour (vocational training). The existence of such activities is more important than their administrative allegiance.

ministry; if integrated within the national (or regional) system, their relations with rural communities, though of great importance in the areas of research, extra-mural studies and voluntary community work by students, do not directly involve local administration, save that a clear road of entrance to the university must be laid down for suitable students.

Patterns of educational administration

ll. The following sketches of administrative patterns in selected countries indicate the various allocations of major administrative functions in accordance with the basic administrative concept. Starting with the United States, the examples range from complete decentralization and local autonomy, to an all-powerful central ministry, as in Thailand and even to a reversion to centralization, after an experiment with the creation of a number of local authorities, in Malaya.

(a) Extreme decentralization with strong local control

- 12. United States of America. While it is universally recognized that the educational system of the United States offers the outstanding example of the decentralized administrative system a system with which parts of Canada could equally well be linked all attempts to produce typical decentralized units can be met by an equal number of exceptions and variants, and the observer is bound to rely upon tendencies rather than types.
- 13. Education is not mentioned in the Constitution of the United States. Although federal assistance is provided in various ways, education is recognized as the primary responsibility of the states. Thus, for an analysis of educational administration within the context of this study, only the relationships between the states and the school districts or other local units used for educational administration need be examined.
- 14. The function of the Department of Education in each state was in origin largely clerical, although responsibility for handling federal and state funds, and particularly the supervision of vocational education programmes, have considerably widened these functions. The traditional role of the state Department of Education has been described as follows: "The State Department, in accordance with law and State Board policies, should establish minimum standards and essential regulations for the teachers and the schools of the state, supervise the distribution of state and federal funds among the schools; maintain a state-wide system of school records, reports and appraisal. Beyond the discharge of these important but limited duties, the Department should be a service agency, providing needed information, stimulation and guidance rather than comprehensive and detailed educational prescriptions for the schools of the state." 4/
- 15. The actual task of operating the schools on the basis of the minimum prescriptions and funds supplied by the state is entrusted to the School District. In 1939-40 there were, in the country as a whole, 116,999 of these districts;

-93-

^{4/} Proposals for Public Education in Post-war America (Washington D.C., National Education Association, 1944), pp. 48-49.

in 1947-48 the number had shrunk to 94,087 and by 1957 to 52,913; in other words, the number has been practically halved in less than twenty years. This tendency towards amalgamation or absorption, and the consequent tendency to stress some of the advantages of a policy of centralization, is well understood when it is appreciated that only 42.4 per cent of the systems in 1957 were operating schools for more than fifty pupils, and that one district out of every seven was operating a school for fewer than fourteen punils. 5/ The largest of the districts, New York City, had, in 1953-54, an enrolment of 956,549 pupils in public schools; Nye County, Nevada, covering over 18,000 square miles, had a total pupil enrolment of 746; 8,500 of the districts do not operate a school of any kind.

- 16. Within this somewhat elastic frame it is practicable, for our purpose, to consider two common groups of organization, the "unified school district" and the "community school district".
- 17. The basic feature of the "unified school district" is the provision of a programme ranging from the pre-primary (kindergarten) through the twelve years of school life indeed, a few such systems even include a further two years in a junior college. The concept may perhaps in some cases be held superior to its execution: in 1957, of every eight such districts, five catered for fewer than 1,200 pupils indeed, three out of eight had fewer than 600 pupils. It is also worth noting that a considerable number of districts (1,180 in 1957), known as "country administrative districts", correspond in boundaries with the local government administrative unit, the country, a correspondence which, whilst possessing no inherent virtue of its own in the United States, obviously creates a situation from which a number of educational advantages might well develop.
- 18. The other type of school district meriting attention in this context, the "community school district", is based upon a premise diametrically opposed to the administrative expediency which developed the county district. Here the criterion is sociological or socio-economic, the establishment of a full-range education district in the organization of which "no consideration should be given to town or county boundaries, but to such factors as the trade and social centres, topography, roads, railroads and the practicability of transporting students of high-school age to the secondary school centres". 6/
- 19. This pattern, which would seem to be more logical than one based upon the arbitrary divisions of political arrangement, is particularly attractive to those concerned with the development of rural communities, but there may be danger in the fact that very frequently the "natural" community one or two hamlets or a village and satellite settlements does not provide a population large enough for the comprehensive high-school system which educational, if not community

_94-

United States Bureau of the Census, <u>Census of Government</u>, vol. I, No. 1 (Washington, D.C., Government Printing Office, 1957).

^{6/} Works, George A. and others, Rural School Survey of New York State (Ithaca, N.Y., 1923), p. 561.

opinion, demands, and the optimum unit which seems to have emerged in the United States from this type of grouping, most of which dates from 1940, appears to be a small city with its surrounding suburbs and hamlets and villages. 7/

20. As has already been noted, there has been in the United States, as in Canada, a steady tendency towards amalgamation and absorption of the smaller school units, particularly with the development of road systems and transport, the increasing complexity of the curriculum and the lengthening of school life. Nevertheless, the principle of devolution remains the key to both systems, and it is left to communities, whether they be major cities or a handful of families, to levy and collect taxes for educational purposes, plan and administer the education budget, construct and furnish buildings, provide supplies and equipment, employ and supervise teachers and determine the content of the school curriculum. Clearly there must be a level of school population below which these responsibilities must either be carried out inadequately or farmed out to larger Nevertheless, there remain thousands of small communities unwilling to lose control of their own small poorly equipped and inadequately staffed schools by absorption in a larger unit where the basis of taxation is wider, specialized facilities and supervision become feasible and the general standards of services and equipment are high. The median between community control of education and the efficiency and wider range of a consolidated system is yet to be determined - or accepted.

(b) Compromise systems of devolution to local government writs

21. England and Wales. It is perhaps not out of character fo find the administration of education in England and Wales based upon a compromise - a tripartite arrangement between (i) a national Ministry of Education, (ii) Local Education Authorities (L.E.A.s.), the administrative heart of the system and (iii) private and voluntary bodies, the owners and, in some cases, the operators of schools not provided by the L.E.A.s. "The Ministry of Education neither owns a school nor appoints a teacher." 8/ Neither, it might be added, does it prescribe a curriculum. Grants from the Ministry to L.E.A.s (146 of them, 63 counties and 83 country boroughs, a terminology distinguishing between rural and urban authorities) total about 60 per cent of educational expenditure; the remainder is provided by the L.E.A. from local taxation (education rate). The Minister is responsible for ensuring that each L.E.A. makes satisfactory provision for all levels of education required by the law, expressing his views with great impersonality in circulars sometimes as ominous in content as they are innocuous in appearance.

22. The L.E.A.s are the County and County Borough Councils, the major organs of local government, acting through their Education Committees' elected bodies with limited powers to co-opt. The only education service of any significance which the L.E.A.s are not required by law to establish is university education, but permissive power exists for local funds to be used to support a local university.

-95**-**

^{7/} These questions are treated in considerable detail in <u>School District</u>
Organization, a report of the American Association of School Administrators
(Washington, D.C., 1958).

^{8/} Ministry of Education, A Guide to the Education System of England and Wales (London, H.M.S.O., 1945).

- 23. Indeed, there is no limit to what an L.E.A. may do, save the depths of the pockets of its ratepayers, the necessity of securing Government grants to supplement local expenditure and the equally important necessity of meeting the requirements of the District Auditor. It is the L.E.A. which employs, and sometimes trains, teachers; builds schools, libraries and swimming baths; stimulates its teachers through the visits of a dozen or more specialists; sends its children to psychologists and dentists; and gives them a holiday on Commonwealth Day. The L.E.A. does not, however, provide the schools with a time-table or curriculum. This is the greatly cherished privilege and responsibility of the Head Teacher and staff, guided or restrained by the exigencies of public examination and the comments, but not the instructions, of the Local Authority Inspector, called the H.M.I. (Her Majesty's Inspector from the Ministry of Education).
- 24. Two characteristics of this system deserve particular recognition. The first is the part played in the provision of a considerable number of schools by voluntary agencies, largely religious bodies, and in the administration of all schools by representatives of local interests, sitting on Governing Bodies, in the case of secondary schools, and Boards of Managers for primary schools. These factors clearly indicate the importance still attached to voluntary initiative in the English system and the care taken to preserve a traditional situation the contribution of the churches to education, at a time when the State, if it wished to strengthen its central control, could easily assume full responsibility.
- 25. The second is the unique role of the H.M.I. In the course of his duties, he pays frequent visits to the schools in his district; joins in formal inspections with his colleagues; meets the teachers in his district at professional courses, school functions and social events; is closely in touch with national policy and with professional developments through contact with his colleagues and his visits to the Ministry; understands the local needs and problems of the L.E.A.s in his district and yet can appreciate and put forward considerations arising from central policy. He meets teachers, governors and managers, officials of the Local Authority and elected representatives on the many committees on which he is invited to serve, and from his visits he gains an unrivalled knowledge of the schools in his district. Yet "it is of the utmost consequence that you should bear in mind that this inspection is not intended as a means of exercising control but of affording assistance, that it is not to be regarded as operating for the restraint of local efforts but for their encouragement, and that its chief objects will not be attained without the co-operation of the school committees, the Inspector having no power to interfere and not being instructed to offer any advice or information excepting where it is invited." 9/
- 26. These instructions were issued to the first H.M.I.s 120 years ago, and they are still quoted with affection by an H.M.I. who regards them as a clear definition of his functions today. This concept is surely not without

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^{9/} Quoted by G.C. Allen, "H.M. Inspector-of-Schools", International Review of Education, vol. VI, No. 2 (Hamburg, 1960), p. 239.

significance when considering the relationship that may be established between a comparatively isolated administrative area and a central Ministry, though it must be admitted that it is a relationship which depends upon great professional competence and integrity, a long tradition, and an understanding of his role, not only by the Inspector himself but also by those whom he inspects. Nevertheless, it must surely be one of the duties of a new administration in a developing country to profit from old practices which have proved their worth, and to build up its own traditions on its own concepts not unmindful of what has been tried and proved.

- 27. In a brief review of some aspects of the English system bearing upon administrative situations, since the comparatively small area of England and Wales embraces no fewer than 146 L.E.A.s, each with a complete and complex system of education, the size of these authorities in respect of population served must take on a particular relevance. Of the 49 English countries covering the rural areas of the country (though this group contains also, for particular reasons, the County of London), the populations served range from (mid-1960) 3,194,480, in the case of London, to 25,020 in the smallest county, Rutland. The median figure (West Sussex) is 397,240 and five counties have a population of less than 90,000.
- 28. It is therefore of great relevance to note that in a report of the Local Government Commission for England reviewing the administrative efficiency of the English local government system in the East Midlands, Rutland is not considered sufficiently large to be administratively adequate. It is of even greater interest to note that the Commission, in making a study of the administration of Rutland, illustrated this lack of effectiveness by particular reference to the services provided for health and education.
- 29. The Report defines administrative viability as follows:

"To be effective, in our judgement, an authority must be able to provide for itself comprehensive services of high quality over the whole range of its functions. It is not enough that an authority is able to provide the minimum requirements imposed by statute or regulation; it must have the capacity to go beyond those minimum requirements, to develop new aspects of services and to have in hand reserve capacity with which to meet the needs of the future. We live at a time of steady development in the social services and of technical change. An effective local authority should and would be capable of meeting any new demands made upon it and of adapting itself to the changing conditions with which it is likely to be faced. Our experience suggests that an authority restricted by its circumstances to a minimum provision must have difficulty in satisfying ordinary tests of full effectiveness.

"The difference between a fully effective and a less effective service is not necessarily a difference of black and white. The differences appear in the standards, the variety and the range of choice offered to the people who use the services. They are dependent on the financial resources of the authority, the numbers of people in any particular category for whom a service should be provided (the 'case load'),

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the staff and institutions (and the possibility of specialization within them), and the ability of an authority to fashion services to the needs of its own area." 10/

- 30. <u>Poland</u>. A version of the comprehensive local government system, with a close connexion between the tiers of the system and a method of deconcentration through officials, though not without a certain degree of devolution through the activities of representative bodies, is to be found in Poland, where the current education system reflects the political and social changes which occurred towards the end of the Second World War.
- 31. In Poland "the democratization of education went along with socialistinspired changes in political, economic and social relations. The process was marked by the tendency to generalize education, by the development of primary education, by efforts to facilitate the access of pupils from worker and peasant backgrounds to secondary schools, by the institution of all forms of adult education, the trend towards 'unified schooling', the elimination of all traces of privilege and discrimination in education, and finally by fundamental changes in the ideological and educative content of teaching and in the guiding principles of a school curriculum." 11/
- 32. Economic planning and the co-ordination of the various ministerial plans are located in the supreme administrative organ, the Council of Ministers, which directs the activities of the various ministries, including the Ministry of Education, under its control and which also supervises the application of policy expressed in laws and decrees, through the Praesidia elected by the People's Councils. The latter, in turn, are assisted in their responsibility towards education by ad hoc Commissions, which are regarded as the basic link between the people in general and the administrative bodies of education.
- 33. The technical task of administration is entrusted to curators in charge of the major cities of Warsaw and Lodz and the regions known as voivodships. The Curator is responsible for general secondary education, teacher training, correspondence schools, special schools and institutions, and, through his Assistant Curator, for technical education. He is also responsible for the supervision of the work of a corps of inspectors who, at a further decentralized level of districts, towns or, in the case of cities, urban districts, are responsible for primary and adult education. The Curator and his Assistant are appointed or dismissed by the Minister of Education, after consultation with the Praesidium of the People's Council of the region.
- 34. There is, therefore, direction at the centre with respect to budget and planning, initiated by the Ministry and co-ordinated by the Economic Council of the Council of Ministers, and also with respect to the curriculum, through syllabuses drawn up by committees composed of specialists in various subjects,

-98-

^{10/} Local Government Commission for England, Report No. III, East Midlands General Review Area (London, H.M.S.O., 1961), pp. 8-9.

^{11/} The content of this section is based upon material prepared by the Polish National Commission for Vol. III of UNESCO's World Survey of Education.

research workers and prominent teachers and submitted to teachers, and also to experiment in the schools, before final adoption. This practice forms a valuable compromise between the imposed curriculum of a completely centralized administration and the practice of allowing complete freedom to a school staff to determine its own curriculum, which can make great demands upon the experience and competence of a small group. Textbooks are published by the State Publishing House for School Textbooks, which is directly controlled by the Ministry of Education, and general directives on teaching methods are formulated by the Ministry through "methodological centres" in the various regions and districts.

- 35. In addition to normal forms of inspection by professional specialists, schools may be inspected by the Education Commissions of the competent People's Councils, but this appears to be in relation to material rather than pedagogical questions, since they may not attend classes, evaluate the work of teachers or make recommendations to them. Parents' Committees have been established, but they too have no standing in regard to school activities and their assistance is related more to the family situation of pupils, such as help to orphan pupils, the distribution of additional school meals and the ensuring of satisfactory standards of hygiene.
- 36. It will thus be observed that despite the considerable measure of devolution to representative committees largely concerned with questions of policy in Poland, the contact between the administrative authority and the school with respect to its internal working remains a completely professional matter between teacher, inspector and the staff of the methodological centre.

(c) Strongly centralized systems

- 37. France. Any study of centralized education systems is likely to be in fact a study in deconcentration, in which the central government administers its services through field officers, generally, though not always, established at the various levels of local government.
- 38. France offers the classic example of this administrative concept. a democratic country, France, deliberately retains a highly centralized and bureaucratic form of government, possibly because a major aim of the education system is to spread the appreciation and development not so much of political as of cultural solidarity. The Minister of Education is responsible to the Legislature for the supervision of all educational institutions in the country, public and private: he prescribes curricula, courses of study and methods of instruction; approves examinations and the percentage of passes in competitive examinations; promulgates regulations affecting every level of education; and carries out his major policy changes by decree. He is advised by a Higher Council of Public Instruction which is, like all the advisory bodies in the French system, a professional body; it normally meets twice a year. The Minister's main agents are a group of Inspectors-General, with specialist functions and national responsibilities, centred in Paris, whence they descend from time to time upon It is from Paris that the competitive examinations which have to be surmounted at every level of the French system are controlled, and since they affect every aspect of teaching in the country, their influence in the schools is paramount.

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- 39. The first level of deconcentration is a division into seventeen Académies, each headed by a Rector who is President of the Regional University and responsible to the Minister for all branches of education in his Académie or region. He, too, is advised by a professionally constituted academic council, and his Inspecteurs d'académie, though charged with the task of carrying out the Ministry's policy, have no authority to change procedures or initiate policies. This system works almost entirely in the fields of secondary, technical and further education.
- 40. For primary education, the organization, subject to control from the académie, is based upon the major local government unit of the <u>département</u> again administered by an official <u>préfet</u> with yet another professional advisory group. This group does not meet as frequently as its nearest corresponding English body, the Divisional Executive of a County Borough; it is not representative of the general public; and it has no authority in matters of curricula or methods of instruction. It does give advice on staffing questions, on the number and location of schools and on the standards to be required from private schools. Its internal authority in schools is limited to sanitation, the maintenance of buildings and the raising of funds to be applied to these and various other subsidiary purposes.
- 41. The lowest level of authority is the commune, well over half of which have fewer than 500 inhabitants. The head of the commune, at last an elected representative (though, of course, so is the Minister), is the mayor, responsible to the préfet of the département, and the relationship between mayor and préfet is the key to much of the success or failure of the local administration of primary education. The commune may establish a school board with a number of minor responsibilities: the enforcement of attendance, the awarding of prizes and grants, the provision of some teaching materials and minor grants to staff and pupils. The commune is also responsible for providing local primary school buildings. But the duties of the Board itself are humble. The members are frequently over-ridden (probably justifiably) and as frequently not consulted (quite unjustifiably) by the préfet, and in many communes there have been refusals either of the Council to create the Board or of appointed members to serve on it.
- 42. This is, of course, a distorted and incomplete picture of the French system, since it concentrates solely upon the chain of command and, in our particular context, makes no reference to the remarkable standards of attainment and general culture reached by those who survive the obstacle race of competitive examinations, the necessarily high standards of the establishments at all levels which train the competitors and the great professional competence of the French teaching body, particularly in the Lycées and most particularly in the persons of the professeurs agrégés. Neither is there space to comment upon the passionate interest in education felt by the French people and shown in professional groups, in the press and in traditionally long and exceedingly well-informed educational debates in the Legislature. However, our own concern is with such features as the rigid control of curricula through control of examinations and the control by officials advised by other officials throughout the system which is nothing if it is not professional. 12/

-100-

^{12/} A concise summary of the French system is to be found in Cramer and Browne, Contemporary Education, (New York, Harcourt, Brace, 1956), pp. 84-108.

- 43. Thailand. It may now be found of some value to trace the influence of such an authoritarian system, which in some form or another, particularly in Scandinavian countries, is to be found throughout much of Europe, upon an oriental country in which a western concept and system of education has been superimposed upon a gentler process of training in Buddhist temples.
- 44. Thailand probably offers the most outstanding example on a centralized administration in Asia, based as it is upon complete control by officials and adhering precisely to the local government system of the country, a description of which forms the best introduction to it.
- 45. The country is divided into seventy-three provinces, or changwads, each under the supervision of a governor responsible to the Minister of the Interior. Each changwad is in turn subdivided into five to ten amphurs (districts), each in charge of a nai-amphur (district officer); each district is subdivided into six to ten tambons (communes); and each tambon into twelve to twenty mubans (villages). The largest changwad (Ubol) has a population of 856,373; the smallest, 21,305. The average size of a changwad is between 225,000 and 250,000, a smaller population than that of the average English country but spread over a much wider area.
- 46. The educational hierarchy follows this pattern, with changwad and amphur education officers directly responsible to the Provincial Governor. The Governor is, in practice if not in theory, not only the representative of his own Ministry of the Interior, but also, since instructions to specialist officers in such fields as education, health and agriculture are channelled from their respective Ministries through him, the representative of the Government itself.
- 47. The Governor has available the advice of a group of his professional subordinates, who are in attendance to receive his instructions. Earlier efforts to establish some form of provincial council were soon abandoned, but a new attempt is being made by the Ministry of the Interior in connexion with a major community development programme to re-establish a form of representative local government starting at the tambon level. The relationship between the official hierarchy and elected members of the communities has, in its early stages, borne a remarkable resemblance to the Governor's meetings with his officials, but community development leaders are being trained to orientate both villagers and officials to appreciate the potential of such meetings, and the situation is not without promise.
- 48. The control of the Ministry of Education over the schools is complete, particularly since the Government budget is the source of practically all educational expenditure. All teachers are employees of the Ministry (and wear a Civil Service uniform as indeed does the Chief Justice of the Province), and regulations of the Ministry govern every function, from school hours and ages, curricula, textbooks, the training of teachers and examinations, down to the clothes to be worn by school children.
- 49. The changwad Education Officer is busily occupied in seeing that his junior colleagues in the amphur are observing the regulations, and the amphur officers in their turn are equally occupied with the same tasks in the schools, so that the demands made upon the professional skill of the staff of the various



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departments at the Ministry are tremendous. One of the penalties exacted by extreme centralization is the infinite delay whilst minor questions are transmitted up the chain of command, await attention and, on occasion, finally descend by the same leisurely path. This does not make for efficiency at the perimeter and the country school teacher sees little, and cares less, for authority outside the person of his amphur Education Officer.

- 50. Into the Thai system, UNESCO has introduced three major educational experiments: (a) the attempt to develop, in one changwad, a complete system of provincial educational administration, based heavily upon consultative groups, and an integrated system of institutions at all levels; (b) an experiment in the training of rural school teachers, not only as specialists in a particular form of educational practice the care of the rural school and its relationships with the community, but also as potential leaders in the communities in which they live and serve; and (c) the training, in considerable numbers, of young teachers as community development workers. The first scheme was perhaps over ambitious, but the the other two are still in operation and doing much to bridge the gulf between the peasant farmer and the minor official. The inter-ministerial manoeuvering between Education and the Interior over control of the teams of village leaders has offered a fascinating background to the study of the relationships between specialist services and local government at the village level.
- 51. Certainly these projects have brought to light at least one very striking element in provincial organization, the fact that contral by the Provincial Governor and the consequent close relationship between the specialist officers at all levels offer an unparalleled opportunity for joint planning and close co-operation among all government services as the basis of an integrated approach to community development. Indeed, it is difficult for a young community development worker, eager to produce some early and visible results, not to prefer the direction of an intelligent autocrat to the often inconclusive deliberations of an apprentice group of village representatives. He needs considerable experience to learn that the directed approach has plenty of impetus but no staying power. 13/
- 52. The major concepts of the systems which have now been sketched illustrate basic tendencies in educational systems: extreme decentralization with strong local control, as in the United States; a strongly centralized system, as in France and Thailand, with a measure of deconcentration through officials at various levels of local government; and in the cases of England and Poland, compromise systems of devolution to local government units to a greater or lesser degree.
- 53. In the decentralized systems, there is at present a noticeable tendency towards the formation of larger and allegedly more efficient units, as shown by the decrease in the number of small local school boards in the United States and by moves to absorb the smallest areas of administration in England. A major reason given for such moves is to improve services both from the point of view of stronger staffing and a wider variety of provision and from that of equalization of educational financing and opportunity. It is also interesting to note, however,

-102-

The present situation in Thailand is not well documented, but there is a description both of the local government system and of the education system in Blanchard and others, <u>Thailand</u>, <u>Human Relations Area Files</u> (New Haven, Connecticut, 1958).

the voluntary formation among groups of L.E.A.s in England of syndicates to develop and control for their own use a system of school construction with economic advantages in standardization and prefabrication that no single authority would have been a large enough client to negotiate. This at least is a justification of the claims that supporters of centralization make for its greater efficiency and economy; but it surely also suggests that it is not always necessary to lose an identity completely in order to obtain the advantages afforded by weight of numbers. The genesis of the first syndicate, CIASP (Consortium of Local Authorities Special Programme), is to be found in a close experimental relationship between the Ministry of Education and a group of neighbouring Local Authorities and illustrates a new technique of co-operation and alliance which may prove more satisfactory than absorption or amalgamation - at least where the more material aspects of education are concerned. 14/

54. Malaya. Reference must finally be made to one emergent country which has decided to abandon, at least temporarily, an experimental system of decentralized control of primary education by a number of local authorities created in 1957 "to associate local initiative with primary education and because it was thought their establishment would have the result of producing fairly substantial local contributions towards education by means of an education rate". 15/ The Report notes that:

"Cur carefully considered opinion is that any disadvantage in discontinuing local participation in the direct administration of primary education is outweighed for the time being by the consideration that the immediate essential is the efficient and economical development of primary education according to a uniform and progressive pattern all over the country.

We believe, furthermore, that this development should be entirely free from political influence, except at the centre.

The pace of educational expansion and reform shows no signs of slackening and we consider that an overriding requirement at this stage is to keep the administration of primary education as simple as possible and free from any possibility of conflicting political pressures. At a later stage when greater experience has been gained in the operation of our new education system not only by the Federal Government but also by education administrators and teachers, by Boards of Managers, by parents and by the public in general, it might well be advantageous to revert to the system of local education authorities." 16/

55. It is difficult to avoid the conclusion that here is an example of a situation that is by no means unique - a new central government anxious to concentrate power and administration at the centre, where political control presents the fewest difficulties, a situation scarcely conducive to the development of the principles and practice of local government.

-103-

^{14/} The Story of CLASP, Ministry of Education Building Bulletin No. 19 (London, H.M.S.O., 1961).

^{15/} Report of the Education Review Committee, Kuala Lumpur, Government Printer, Federation of Malaya, 1960.

^{16/} Ibid., paras. 215-217.

56. If, however, there is a tendency among decentralized authorities to coagulate, an equal tendency among the more highly centralized authorities to develop their working methods of deconcentration by devolution to local authorities is equally noticeable, and it is likely that the concept of the optimum area will vary considerably from time to time with changes in teaching techniques, in philosophies of education with developing communications and with the growth of concepts of community, a growth which needs as much nurture in the new towns of England and Wales as it does in the <u>tambon</u> of a Thai province.

Centralization and decentralization

- 57. It should now be possible to make a brief examination of the cases for and against centralization and decentralization as they have been illustrated by these sketches of types of administrative systems.
- Apart from the political considerations set out in the Malaya Report previously mentioned but not a matter for further comment in this paper, the main advantage of centralization is the opportunity it offers to standardize provision and equalize opportunity for all schools and pupils in the country. Even in the English system, in which the local authorities would appear to be administering a programme basically defined by the Ministry, it is, for example, possible for one authority to create more opportunities for entry to secondary grammar schools than another, or to be either willing or unwilling to develop the costs of certain pupils at boarding schools. Certainly, under a centralized system, the material aspects of education - standardization of buildings, nature of equipment, examinations, staffing ratios, grants, etc., can be equalized, and unified curricula can be established, whilst the standard of teacher training can also serve the whole of the country - though there remains uncontrolled the nature, effectiveness and vocational sense of the individual teacher. The equalization of financial provision is, of course, possible at various levels in any system and has become an increasingly usual practice between states and local school boards in the United States, but central control is certainly the most effective way of ensuring, so far as human limitations permit, that no one school or area is more or less favoured than another. In the same circumstances, there are also such assets as the ease with which pupils can be transferred from one level of the system to another and from one type of institution to another, both administratively and, from the point of view of the pupil, with a considerable sense of continuity. Again, particularly in areas of scattered population, it is only a central authority that controls the necessary funds to organize a wide range of advisory services; to develop research functions; to provide such ancillary services as teaching by radio, audio-visual aids, museums and libraries; and to undertake the care of handicapped children. (It is not, however, beyond the resources of small groups to deal with medical and dental care and school meals). Finally, there are such questions as the provisions of staff pension schemes; the economic efficiency of large-scale administration, as illustrated by the CLASP building scheme; and the obvious advantages of bulk purchase of stores, particularly of paper and consumable materials, though problems of storage, transport and pilferage should not be overlooked.
- 59. Inevitably, these advantages generate their own difficulties. It is a good teacher who can break through external control in the content and method of his classroom work and who is not unutterably weary of the annual progression through the same old and sober textbooks. (Of course, new texts are prescribed from time to time, even by the most conservative authorities, but by the time the decision has

finally been made and the new textbooks reach the school, the time is ripe for yet another change.) Good teachers do not rejoice at the freedom they enjoy because authority dwells remotely in the capital 400 miles away. They find it difficult to work in isolation and are sufficiently human to welcome some official recognition of their work. Thus the lure of the capital and the possibility of a career makes staffing of distant schools a difficult problem: at one time, New Zealand, with a strongly centralized system, required every new teacher to spend his first two years in a small country school.

- 60. The case usually put for decentralization is perhaps a little more academic: it does not deal with discounts on half a million copies or the actuarial basis of a pension scheme; it stresses, and rightly, the necessity for developing local interest in and support of the local school system, and consequently it implies that local interests, in order that their activities should be stimulated, should also possess power and authority. The comparative ineffectiveness of the French communal education boards is clearly due to the fact that they can only advise, that their advice need not be taken and that superior authority can and does take action without consulting them. Co-ordination at local levels is easily affected; there should be freedom to experiment; policy can be adapted to local needs and can easily be made flexible enough to deal with changing conditions, especially as regulations centrally made frequently outlast their local appropriateness; and the more tedious routines of administrative decision, by being taken locally, become less tedious and less onerous in themselves and can free senior administrators at the centre for what it may be hoped are more important tasks.
- 61. Again, the picture can be reversed. Affluent communities, largely composed of professional and executive families, can certainly build superb schools, attract outstanding teachers and pay for all this. But the little two-teacher church school in a remote Welsh valley, with a farming population now entirely Methodist, an aged Rector as Chairman and sole manager, the one uncertificated assistant the niece by marriage of the local County Councillor, no electricity, no water laid on and bucket latrines which no one, though wages are available, will empty, whilst it offers a considerable challenge to the Headmistress, must also lead her thoughts firmly in the direction of school buses, consolidation and the end of local indifference or tyranny.
- 62. With these general reflections based upon the actual systems, that have been considered, it should now be possible to make a systematic study of the administrative functions set out in paragraph 9 and, from a consideration of which of these functions can be adequately carried out by deconcentration of devolution, to make some attempt to sketch an organization appropriate to a rural area. This sketch will not, however, allow for the creation of small autonomous school districts, such as exist so widely in the United States. The establishment of such units in evolving countries, where funds are short, standards of living low and transport non-existent, render such a solution neither politically, financially nor administratively practicable. This study will therefore concentrate on what functions and authority can be delegated from a central ministry either to officials or to voluntary or statutory bodies, and at what levels.

Deconcentration and devolution of administrative functions

63. Planning. This is clearly a centralized function, and even in federated areas with autonomous states, as in the United States, there is a Federal Education Office with functions which, starting from the collection and publication of

-105-

statistical material, have evolved into a clearing house of information, the first step towards a planning role. Planning, while of immense significance in emerging countries, will depend to a large extent for its success upon the accuracy of information and intelligence supplied from local areas and to the extent to which local areas are taken into the confidence of the planners.

- 64. Finance and administration. The collection of funds, frequently a function shared between the central and the local authorities, is not an essential element of local administration; the disposition of funds spent locally is.
- 65. Flexibility, within limits, is an essential element of administration, and the delegation of power the best method of enlisting local interest and support. It is therefore probable that most Ministries will deconcentrate a good many financial activities to local offices, including the payment of grants, salaries of non-teaching staff and local disbursements of all types. It is assumed that these will remain in most cases deconcentrated rather than devolved powers, as in book-keeping transactions devolution adds a further and unnecessary stage unless the deconcentrated machine is itself too remote from the farther limits of its range.
- 66. The creation of a small administrative unit to deal specifically with Bcards of Governors and School Committees, both at Headquarters and in local offices, should strengthen liaison with these voluntary bodies, create the openings to make them more effective and provide another link between the Ministry and its remoter clients.
- 67. Buildings. The erection and maintenance of buildings are almost invariably decentralized activities for the obvious reasons of efficiency, economy and local knowledge. It is likely that standards of cost, methods of construction, design and functional requirements may be laid down by the Ministry, but a community which has planned its own school and supervised its erection is also likely to take an interest in its future. If central standards are required, as they may well be, it is important that the machinery for full local consultation throughout planning be set up, to involve staff, parents and the community generally. This is one approach to the problem. It may well be that in many rural areas primary schools will never get built at all without very considerable aid from the local community; local labour and local materials can form a major contribution, in which case it is reasonable that the community be given a continuing share in the management of the school even if, in the guise of a discussion group, it is necessary to give informal training to school committees, an activity which might be of more practical value than some of the courses organized by education authorities. Maintenance, it is assumed in all cases, will be a local responsibility.
- 68. Equipment. Here the interests of economy normally dictate central purchasing, but flexibility is necessary in order that advantage may be taken of local conditions. Nothing is more frustrating than for a Headmaster of a school situated in a forest clearing to have to indent for timber to a central office a few hundred miles away.
- 69. The promulgation of approved lists of books and materials, rather than a supply of prescribed equipment, and a generous flexibility in the allocation of per capita allowances among various types of equipment will do much to interest

-106-

a school committee, as well as the school staff, in the management of their school.

- 70. Teaching staff. Obviously, the training of a staff is not a matter that can be undertaken by rural communities, and it is desirable that uniform conditions of service should extend over the whole of the teaching staff of a country. The English system affords a useful example of a practice in which qualifications and the levels of salaries and pensions are nationally established but the employment and payment of teachers is the responsibility of the L.E.A. Thus, local authorities have a wide range of candidates from which to select and teachers have an equally wide choice of teaching posts. It is desirable that, wherever possible, school systems should not be decentralized beyond the stage where there are not sufficient opportunities for promotion; otherwise there is likely to be a steady drain to administrative areas where, even if salaries are stabilized, local conditions are more attractive or opportunities of promotion more frequent.
- 71. The question of the inspectorate has already been discussed, particularly in relation to the English system. The employment of a sound body of advisers is both an admirable safeguard and a progressive measure if administrative control is to be widely devolved. A good inspectorate is expensive to maintain and in new systems difficult to acquire, since it requires wide experience as well as unusual qualities, and the creation of such a system in new administrative areas is likely to deplete schools of the best teachers they so badly need. One caveat is perhaps necessary in areas where new systems are developing. It is advisable to give the inspectorate authority over local administrative staff, even at the risk of forfeiting a little of the time that could have been spent in the schools: a body of organizing teachers can assist in the process of inspection and crossfertilization of teaching methods and ideas; it is essential that teachers should not be torn between two loyalties and, it must be confessed, two potential sources of promotion the administrator and the inspector.
- 72. <u>Pupils</u>. It is at this point that the administrator's instinctive enthusiasm for the order and tidiness of centralization breaks down. The beneficiary of educational administration is, or at least ought to be, the child an image seldom mirrored in annual reports, demographic projections, budgets, graphs, manpower surveys and plans that are the tools of the trade.
- 73. The child is an individual, and if it is also necessary to consider him as a member of the community, that community consists basically of his parents, his relatives, his teachers and the village in which he lives and to the development of which he is expected in time to contribute. It is clear that the closer contact the educational process maintains with this small group, the more closely it can be identified with its basic purpose.
- 74. Thus two fundamental needs of educational administration require to be developed: on the one hand, planned efficiency and practical but not stultifying economy, the broad grasp of principles and the needs of a growing nation; on the other, the development of a child's individuality, the stimulation of a small

-107-

group as an active unit of the wider national mass and an open doorway for those who wish to pass through to larger horizons beyond the local community.

- 75. The problem is not, and never has been, insoluble. The key is the pupil/ teacher relationship, a key cut in the teacher-training process and kept burnished with the aid of good inspection. The aim of administration should be, by a wise decentralization of its powers, to satisfy the interests both of the nation and of the individual.
- 76. The general result of this may well be that whilst, as in France, standards and quality are maintained by a central system of teacher training and of evaluation, the actual teaching process should be planned by those responsible for carrying it out, and in this task they should be aided and encouraged by members of the community entrusted with participation in the management of the institutions involved.
- 77. Special services. Here again it is clear that the broader based the systems, the wider the special services that can be set up for instance, schools for the blind, the deaf and dumb, psychological and guidance services, library services and museums. Nevertheless, an authority of quite moderate size is able to run medical and dental services (if not of a highly specialist nature), a school meals service, school transport quite vital in any rural community to ensure transfer between the various levels of educational provision and to provide travelling library and audio-visual services, particularly if these are organized in conjunction with a central supply depot.
- 78. Further education. Campaigns for adult literacy are likely to be nationally organized, if only because of publication costs and the adoption of a standard technique; but their organization must depend upon local resources and enthusiasm and the availability of local personnel. It is most unlikely that any campaign will succeed unless there is a strong local organization not only to plan and initiate the campaign itself, but also to continue and develop the follow-up work without which the initial effort will have been of little value.
- 79. It is probable that in the early stages of further education, school buildings will be used for evening activities and school staff for teaching purposes. This at least ensures economic use of buildings that are so often empty for three quarters of their life, though the associations, discomforts and temporary nature of school accommodation when used by adults are scarcely conducive to developing adult classes.
- 80. Views on the utilization of school staff men among boys for adult education boys among men are also mixed, but again teachers have a strong sense of community values, and since, in the majority of cases, no available help can be dispensed with, administrative adjustments can be made to spread the teaching load reasonably equitably.
- 81. To sum up, it is common practice to classify the functions of educational administration in terms of externa and interna, externa being those aspects which, through the practice of centralization, contribute to providing equality of educational opportunity: these normally include length of school year, regulations for compulsory attendance, building standards, pupil/teacher ratio, conditions of service of teachers, planning and co-ordination of the various levels of the school

system and finance. Interna include curricula, courses of study and methods, textbooks, standards of evaluation and records of pupil progress and cover the day-to-day work of the school. The extent to which these two categories of function are divided between the central authority, a local authority and the school staff varies, as we have seen, from country to country. In England, for example, in the field of interna, the curricular methods and courses of study are laid down by the head of each school; evaluation, however, at both the "eleven plus" level and in the three stages of the secondary school leaving examination, is a matter in the first case for the central authority and in the second, for an independent examining body. Whilst some authorities give their schools complete freedom to select what textbooks they think fit, others publish approved lists which impose some limitation on selection, and still others prescribe the actual books to be used. The matter at issue is not a small one. And in any event there are, of course, a number of variables which influence the distribution of these functions - the fiscal system, the pattern of local government, the stage of evolution of the system itself, the availability of trained personnel for decentralization, of all competent members for advisory or executive committees, the location of the population, the distribution of needs for middle and upper technicians and, of course, the inevitable problems of topography and demography.

Outline of a plan for educational administration in rural areas

- 82. For the purpose of our general thesis the decentralization of educational administration in rural communities it should now be possible, after these considerations, to attempt a general sketch for an appropriate education system; this will be envisaged in three tiers. The central body will be called the Ministry; an intermediate group of regional areas with a considerable measure of deconcentrated authority to make as much use of devolved authority to representative, and if possible elected bodies, as the experience of members permits, will be called the Province; and, at the community level, a series of units working on a "partnership system", with statutory powers and devolved authority derived from the Ministry and technical assistance from the Province, will be basically managed by lay committees and called Districts.
- 83. The organization is based upon the general concept that the Ministry will be responsible for carrying out the policy laid down by the Legislature, will initiate and co-ordinate planning procedures and will undertake general responsibility for fiscal policy and the distribution of all funds from the general revenue and for ensuring equality of opportunity throughout the system by the equalization of funds, for the creation of a general pattern of educational levels, including the ages and process of transfer from primary to intermediate and secondary education of all types and access to higher education, for the conditions of service of teaching staff and for the management of such institutions (polytechnics and specialized training institutions such as schools of art or printing) and special services which it would not be economic for a province to handle.
- 84. Subject to these provisions, the Province may be regarded as a complete educational unit (complete, that is, save for higher education, the university system of the country being envisaged as a group of autonomous bodies related to the Government (not the Ministry) by statutory ad hoc councils). The services provided by the Province would normally include urban systems in all save the larger cities, which would be considered as independent provinces.

-109-

- 85. Within the Province would be found nursery schools (in urban areas), primary schools, secondary schools (both general vocational and technical), an organized system of adult education, a Youth Service (perhaps in close liaison with the Ministry of Agriculture), audio-visual and library services (probably in their turn serviced from the Headquarters in the Ministry) and a supervisory corps of inspectors, advisers and other specialists based on the Province but recruited from the Ministry and ultimately responsible to the Ministry.
- 86. If the Province is a complete educational unit, the District is envisaged as a group of primary schools contributing to a comprehensive secondary school. The system is based upon a twelve-year school course and, selected from a number of reasonable alternatives, a pattern of 6:3:3, i.e. six years in primary school and two cycles of three years each in secondary education. The secondary period may of course include from two to four years in an "intermediate" or "middle" school, and possibly, in systems which are still in an early stage of development, a further two years may be needed by students proceeding to the university, a course which may be provided either at the secondary school itself or in some form of junior college run by the Province.
- 87. At this stage it is desirable to define the concept in terms of numbers, for which purpose another series of assumptions must be made concerning the number of children likely to be in attendance at primary school and the percentage of these children for whom the system provides secondary education of one type or another.
- 88. Here generalization tends to degenerate into fantasy owing to the large number of variables which now come into play, but for the purpose of this paper it is assumed that compulsory schooling is already in effective force for all children of primary school age (i.e. the first six years of school life) and that 20 per cent of the age group leaving primary school enter into secondary education. It is further assumed that this group, with a small allowance for wastage, will complete six years of secondary education of one kind or another. (These estimates are high: in 1961-62 the percentage of the age group enrolled for the whole of Middle Africa was 40 per cent in primary schools and 3 per cent in secondary schools the figures of 100 per cent and 23 per cent respectively are set as targets for 1980-81.)
- 89. It is further assumed that for the secondary school, whilst a common programme will be followed, perhaps with varying degrees of intensity, in the different classes or groups for the first three years, the second "cycle" will permit a wide degree of variety of courses embracing the prerequisites for technical as well as professional studies. It is also assumed that there will be no appreciable drop in numbers caused by shorter term trade training, which is more likely, at this level, to be a form of in-service training for primary school leavers.
- 90. It is possible that, with the exception of agriculture, the requirements of technical education over the systems of developing countries as a whole are still somewhat exaggerated. In the type of system here suggested, secondary education normally confines itself to teaching prerequisites for specialized training to be

-110-

Final Report, Conference of African States on the Development of Education in Africa (UNESCO, Paris, 1961), chap. 5, p. 14.

given at a later stage. There will, however, be a number of cases where specialized institutions are necessary, and these will be maintained by the Province or even by the Ministry, since their recruitment from any particular area will be comparatively small.

- 91. These assumptions postulate as the key to the District organization, a secondary school with a six-year course and a minimum of three new classes entering each year. Thus the maximum student body will be 35x3x6 = 630, or with a slight allowance for wastage, 600. This student body will involve eighteen classes and a staff of perhaps Head, plus twenty-four, based on a staffing ratio of 1:25 to allow staff free periods for marking, preparation, etc. The class size of 35 is a compromise between the generally accepted figure of 30 and the figures proposed in Africa of 40, rising to 45 in 1966 before falling to 35 in 1980. 18/
- 92. The annual entry of 105, if representing, as we have predicated, 20 per cent of primary school leavers, indicates a figure in the last year of the primary schools contributing to the secondary school of 525, so that the total primary school population of the contributory area is 525x6 = 3,150. (This indeed is a hypothetical figure, since in most developing countries there is a tremendous wastage during the first two years of primary school life, but we must either assume that the system of compulsory primary education is functioning with unusual success or that the basic population figure is higher than the one quoted below, without increasing the number of children in secondary school.) Finally, if we may assume that a school population between the ages of six and twelve represents some 15 per cent of the total population, this gives an all-round figure for the District population of 21,000.
- 93. Cf course, population scatter in rural areas never permits this type of rough calculation to do more than give a very general indication of a planned system. But again we may say that on a basis of 40 children per class in primary schools, a school will not be at its most efficient unless there is one teacher for each class of children in the same age group, which indicates a six-class primary school of 240 children; in fact, the more normal pattern owing to scatter is the three-teacher school of 120 children, and of these there would be 26 in the District.
- 94. If these rather tedious calculations may now be rapidly worked backwards, we find as a basic rural District for educational purposes a population of 21,000, with 3,150 children of primary school age. These will be grouped in perhaps 26 schools employing some 80 assistant and head teachers. This group will contribute 105 children a year to a modest selective multilateral secondary school of some 600 pupils. The group of primary schools of the District will also serve as a supervisory area for one District Inspector of Primary Schools, since a maximum allocation of classrooms and teachers to one inspector will be at the most 100, and in developing areas the number should be reduced.
- 95. Some general indication of the extent of the District, though this, of course, clearly depends upon topography and communications, may be gathered from various regulations concerning the distance to school to be covered by

-111- /...

^{18/} Ibid., chap. 4, p. 24.

secondary school pupils, for instance, twenty miles in each direction (New Zealand) or a maximum of one hour's travel in each direction (a common regulation in the United States). On the basis of the former requirement, the secondary school may be seen diagrammatically as forming the centre of a circle with a radius of twenty miles, covering an area of 1,256 square miles, thus allowing for a population density of seventeen persons per square mile, which does not present any particular problem.

- 96. This District then, of one comprehensive secondary school and twenty-six primary schools, would form one of a number of units making up a Province. With a brief glance at the median figure of 4CO,OCO as representing an efficient all-purpose local authority in England, it appears that some twenty such districts might be so combined, though again such a suggestion makes no provision for existing local government boundaries, different ethnological or linguistic groups, mountain ranges and rivers and numerous other obstacles that confront the educational planner.
- 97. Voluntary managers, if possible responsible for a group of primary schools rather than a single school, would recommend staff appointments and make arrangements for the maintenance and use of school buildings and the provision of school meals. They would also elect representatives to sit on the Governing Body of the secondary school, and this body would in fact function as the District Education Committee. Again, the managers would serve as local representatives in the organization of literacy campaigns, adult education classes and contributions by the school system to community development work. The managers would not be responsible for the internal organization of the school, including curricula and courses of study. These would be planned by the Headmaster and his staff, though it must be admitted that, without sound training both at school and at the subsequent teacher-training college, this is a major responsibility as well as a major professional privilege to entrust to school staff. Indeed, there may be an early stage of development in which such delegation of responsibility without much counselling from the Inspectorate is scarcely practicable, and a District curriculum, drawn up after committee work and experiment, might be made available in the early stages of development.
- 98. The Governing Body of the secondary school would bear in turn a similar relationship to the Provincial Education Committee and carry out similar duties with respect to the secondary school, though its responsibilities would include the preparation of estimates for the District and an important consultative function in all planning work.
- 99. Other functions of the governors would be the appointment of secondary school staff, subject to approval by the Provincial Committee, and responsibility for the siting, building and maintenance of school plant in the District with due reference to the managers in the case of primary schools. Equipment might also be purchased through the governors acting on the advice of the Headmaster through per capita grants and, where bulk purchase from the Ministry is involved, from lists of available equipment and supplies. School transport would be organized, and while it should be quite possible for routine medical and dental inspection to be organized at the District level, specialist attention could be made available by the Province.
- 100. Inspection and advisory services would be undertaken by the Ministry through the Provincial Office. The Inspector for the primary schools in each District

-112- /..

has already been mentioned, and a provincial team of specialists would cover the 360 classes of the secondary schools in the Province. Undoubtedly, it would be desirable if some aspects of secondary education could be placed in the care of District Inspectors in the Province, and if specialists could be made available to primary school Heads, in order to strengthen the very necessary machinery for ensuring the closest liaison between the two levels of the system.

101. The Provincial Committee would, subject to delegation of the duties outlined above and through a Provincial Office and administrative staff, act as a local authority with a complete range of powers exclusive of the training and conditions of service of teachers. It is not suggested that even large authorities should undertake such training, since this should involve the widest possible experience for potential teachers. The patterns of the education system would also remain a national responsibility, but the Province would have a vital planning function both in bringing concepts to the notice of the Ministry's planning group and advising on planning throughout its stages and in drawing up consolidated annual programmes and budgets for submission to the Ministry. The full composition of the Provincial Committee, as of the District Committee, is not here discussed, but certain seats would need filling on both Committees by ministerial nomination, by nomination from local authority and other interested bodies, and by co-option from the Committees themselves.

102. In this proposed organization there are at least the following weaknesses:

- (i) The large number of small administrative units will certainly entail considerable correspondence with the Provincial Office. This is an inevitable price to be paid if local interest and responsibility are to be aroused and sustained. It should not add to accounting or statistical burdens, and the Provincial Office itself should take much of the latter work from the Ministry;
- (ii) It may be doubted whether a District Unit containing only a total of 3,170 pupils is large enough for optimum efficiency in business administration;
- (iii) The District is scarcely large enough to permit rapid and smooth development if faced with any drastic changes in communication or size of population;
- (iv) No provision is made for the 80 per cent of primary school pupils leaving at age twelve; this must be a later development, probably involving the creation of primary extension groups or intermediate schools.

103. However, the District unit has been designed on the basis of the minimum population required to support an adequate secondary school, and in many areas the density of population may in fact make it necessary to increase the size of the secondary school up to a figure of perhaps 1,200 pupils. It would also be possible to group two or more Districts into a consolidated District, retaining individual or group school managers but stretching the Board of Governors to cover all secondary schools in the area. 19/

-113- /...

^{19/} A discussion of the criteria for the nature and size of the local unit of school administration is to be found in Report of the Royal Commission on Education in Ontario (Government Printer, Ottawa, 1950), pp. 275-288.

104. The major difficulty, and it is common to all developing education systems, reverts to the introductory theme of this paper: the necessity of trained and experienced personnel - both teachers, inspectors and administrators, on the one hand, and lay members of Boards and Committees, on the other. The key to the situation is surely the professional. It is not difficult to imagine a local committeeman's progress from Board of Managers to Governing Body, from Governing Body to Provincial Committee and from Provincial Committee to the Legislature provided that his boards and committees have had available the services and advice of competent teaching staff and inspectors to provide a professional background against which decisions in the public interest can be made. The training of the professional is a different matter. Training is needed for those who themselves train teachers. The training of secondary school staff is not a question of a few lectures injected into a general degree course or a frustrating extra year spent either in being taught how to teach without children or teaching children without being taught how to teach. The inspector is not made by giving an experienced teacher a Landrover, a map and a sheaf of report forms. However, in this field, UNESCO is now experimenting with the first of a series of training courses to be held in Africa for educational administrators and inspectors. Each course will be based upon a practical study of the educational system and institutions of the country sponsoring it. From this experience as from the programme in Thailand for the training of young primary school teachers for work in rural schools and as potential leaders of rural communities, it is possible to foresee the types of training programme which will give meaning, purpose and experience to those administering education in small rural communities.

Conclusion

105. It is possible that this paper, despite the promise of its title, may have succeeded only in establishing the fact that there is no such thing as an optimum area of educational administration in rural communities - that political, fiscal, topographical, ethnographic, linguistic and historical factors forbid any valid generalizations. Certainly it would be folly to pretend that the attempt here made to outline a possible system is anything more than a numerical treatment of principles that may be applied and dimensions that are significant in bringing the process of education and its planning into the closest possible relationship with the community it is to serve. But it must not be forgotten that in the situation thus described, education is only one of a number of services now made available at the village level and that the pattern of living in rural communities is not neatly departmentalized into education, health, co-operatives, agricultural extension, village crafts and home economics, with village meetings every evening. It is a closely integrated, traditionally developed design for living in which almost every inhabitant is a multi-purpose worker, in which the children from the school also tend the livestock, look after the babies and carry the water, in which the teacher too cultivates his food gardens (sometimes, perhaps, under the guise of agricultural education), in which the priest may also be the doctor and the energetic young Headman, recently elected, be in actual fact a neat cover for the group of elders, secluded from official contacts, who run the village and its affairs from the shade of a near-by mango tree. If the machinery of education in and out of the school can co-operate in this elaborate pattern; if the village can be persuaded to take part in the management of its school and to send some of its children to the secondary school; if the educational unit is seen as the family rather than the

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child; if the new co-operative is not set up long before the bridge to carry the feeder road has been constructed; if the campaigns for afforestation, a new school building, a clinic, more roading, better sanitation, cleaner house-plants, home gardens, Brahma bulls, weaving, the 4-H club, a revival of traditional dancing, co-operative marketing, the digging of deep wells, all, of course, heralded by visits of experts armed with questionnaires and cameras - if these are merged with the village pattern as an extension of its past and a development of its present, then education will at last have taken strong root in the soil of the country, instead of superimposing upon it a little comprehended and urban system whose effect is likely to be as ephermeral as the careers of those to whose prestige its isolated institutions will have been occasionally erected.

APPENDIX I. SUMMARY SKETCH OF A PIAN FOR EDUCATIONAL ADMINISTRATION IN RURAL AREAS

This prototype scheme for educational administration in developing countries is of necessity a "still" picture, illustrating a single aspect of a developing sequence. In practice it would, of course, be modified by countless factors, ranging from the availability of funds to the intrusion of lakes, mountains and great rivers, from ethnic, religious and linguistic differences, to the sheer lack of competent teaching staff.

Tier I - District

Maximum area	1,256 square miles
Total population	21,000
School population: Primary (6-12) Secondary (13-18)	3,150 630 (20 per cent of primary school leavers; no allowance for wastage and drop-out; no immediate planning for primary extension classes or middle schools)
Number of primary schools	26
Pupils per school	120
Pupil/teacher ratio	40:1
Total teaching staff	80
Inspection	l District Inspector
Curriculum and method	School staff in consultation with inspectorate
Management	Board of Managers (possibly for a group of schools)
Major functions of management:	Recommendation to province of staff appointments
	Maintenance and use of school buildings
	Provision of school meals
	Arrangements for medical and dental inspection

Local representatives of national literacy campaigns

Organization of adult classes

Election of representatives to governing body of secondary school

Number of secondary schools 1 multilateral school (selective)

Annual intake 105 in 3 classes

Total roll 600-630 (plus possible preparatory course

for university entrance)

Pupil/teacher ratio 25:1

Teaching staff Head plus 24

Inspection Provincial team

Curriculum and method School staff in consultation with inspectorate

and advisers

Management Board of Governors (representatives of

managers, etc.)

Major functions of management: As for primary schools, together with:

Preparation of estimates for provincial

committee

Consultative function in educational planning

Siting and building of school plant in district

District school transport

Purchase of school equipment

Election of representatives to Provincial

Education Committee

Tier II - Province

Viable composition 20 school districts

Population 420,000

Primary school population 63,000

Secondary school population 12,000-12,600

Teaching staff: primary

secondary

1,600 500

Inspection

10-15 inspectors and specialists (appointed by the Ministry)

Management

(i) Provincial Office

Payment of salaries

Accounts - revenue and expenditure

Payment of grants

Personnel

Contracts and other legal matters

Special schools

Mobile library and audio-visual services

(ii) Provincial Education Committee

Approval of staffing recommendation from District

Approval of annual programme and budget

Initiation of planning proposals

Specialized institutions with <u>ad hoc</u> governing bodies - policy and location

Recruitment of teachers

Tier III - Ministry

Main functions

Policy, planning, legislation and regulations
Design and details of the levels of education

Allocation of priorities and funds

Terms of service of teachers; training of teachers

Recruitment of specialist and inspectoral staff

Scholarship systems and national standards

Adult education - policy towards literacy

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Publications

Standards of building construction

Bulk purchase

Information and public relations

Records, statistics

SECTION B. ADMINISTRATION OF HEALTH SERVICES

Optimum areas for the administration of health services in rural communities*

- l. From the standpoint of public health administration, decentralization (essentially devolution) of health services is essential for the attainment of the highest possible level of health by all peoples. The reports by committees of experts of the World Health Organization on public health administration 1/ have dealt with the functions and responsibilities of the central, intermediate and local levels of health administration and with the interrelationship between these levels. In general, local health administration deals with the provision of basic health services to the population on a community basis; intermediate health administration provides the institutional and specialist services to assist and supervise the local health services; and the national or central health administration controls the over-all planning and organization of the health services for the entire country, including education and training of medical and allied personnel, setting up technical standards, research and international health. In large countries, provinces or states may have the over-all planning and organization functions exercised by national administrations in smaller countries.
- 2. The subject of planning an integrated health programme for rural areas was discussed at the second session of the WHO Expert Committee on Public-Health Administration, and the organization of a system of decentralized rural health units to provide an integrated basic health service to local communities was recommended in the Committee's report. 2/ Since the publication of this report in 1954, the principles outlined in it for the establishment of rural health units have been generally accepted, and services have been distributed to rural areas in many countries.
- 3. The question of the optimum size of population for each health unit was also discussed by the Expert Committee, which considered it "impossible to lay down an optimum size of population" owing to a great variety of problems in different rural areas of the world, particularly the scarcity of professional personnel. In considering this question, four factors must be considered: the personnel factor, the geographical factor, the economic factor and the administrative factor.

-120-

^{*} Prepared for the Working Group on Decentralization by the Secretariat of the World Health Organization.

World Health Organization Technical Report Series, No. 55 (1952) and No. 83 (1954).

^{2/} Methodology of Planning an Integrated Health Programme for Rural Areas, Second Report of the Expert Committee on Public Health Administration, World Health Organization Technical Report Series No. 83.

The personnel factor

- 4. In order to be effective, a health service must be so planned that every individual has the opportunity of easy and convenient contact with a health worker. The frequency of such contacts varies, but it is maximal at the following age periods: in infancy and early childhood, during pregnancy and in old age. During these periods the contact is required for the promotion and maintenance of health as well as for the treatment of illness. At other age periods the contact is less frequent and is mainly designed for the provision of treatment in case of illness.
- 5. The frequency of these contacts also varies in relation to the category of health personnel. Thus, the highest frequency relates to contacts with the so-called "front line worker", who is usually the public health nurse, though in different countries different workers are used for this purpose (feldshers, dressers, medical attendants, infirmiers, etc.), and the next highest frequency relates to contacts with physicians (general practitioners). The lowest frequency relates to contacts with specialists and specialized medical institutions.
- 6. Though no absolute criteria exist for the ratio of health workers to population, experience has shown that the following minimum should be aimed at:
 - l nurse for 1,000-1,500 (this includes qualified and auxiliary staff to cover all nursing functions except hospital at district and federal levels);
 - l dentist for 4,000-5,000;
 - l general practitioner for 4,000-5,000;
 - l sanitarian for 8,000-10,000;
 - l pediatrician for 10,000-15,000;
 - l general surgeon for 20,000-30,000;
 - l gynecologist for 40,000-50,000.

The ratio for other specialists varies greatly, e.g., one neuro-surgeon could serve a population of one to two million.

- 7. It is not expected that in countries in very early stages of development such goals can be achieved even within ten or twenty years. Much more auxiliary staff will be required in these countries for some time to come. The ratio of auxiliary personnel to professional personnel has to be worked out individually for such countries.
- 8. According to WHO's concept of rural health administration, rural areas should be covered with a network of health units consisting of several health centres and sometimes sub-centres, the units being organizationally located under a central national body such as a Ministry of Health. 3/ Whilst the main functions of the control body are: general policy and planning at the national level; advice on and organization of research; and professional training, the functions of the health units are executive and operational. 4/

-121-

^{3/ &}lt;u>Ibid.</u>, section 3 (pp. 25-27).

^{4/} Ibid., section 2.1 (p. 7) and 2.2 (p. 12).

9. From the personnel point of view, the smallest administrative area would be that which enables the organization to provide the most basic health services in terms of frequency of contact between population and health personnel. Thus a population of 40,000-50,000 could be efficiently and economically served by a health unit providing the following health services: personal preventive services, home care, ambulatory care and hospital care for the commonest disease conditions. This unit would be sub-divided into smaller units of about 5,000 each for one doctor, down to units of 1,000-1,500 for one nurse. Any smaller sub-division would be uneconomical from the point of view of personnel. Three or more such units would be included in a larger administrative area. Where there are not sufficient personnel for such ratios, auxiliaries must be used, with adequate supervision.

The geographical factor

10. The principle of easy and convenient contact with health personnel applies not only to the personnel-population factor but also to the distance to be travelled by the population or the health personnel to effect the contact. It is axiomatic that the longer the distance the less the number of possible contacts for each health worker and, consequently, the higher personnel-population ratio required. Experience has shown that the optimum area for a health unit such as described above is one that will require not more than one hour for a person to reach a hospital, or a health centre with beds, from his home. The actual radius of such an area will depend on such factors as the means of transport, the road system, topographical conditions, but it is possible to conceive that, under fairly convenient conditions of transport and topography, such an area would have a radius of 30 to 35 kilometres or a surface area of approximately 2,800-3,800 square kilometres. Sub-centres will usually be indicated. 5/ For purposes such as malaria eradication and sanitary engineering, larger areas should be considered. In this case, the malaria team would be attached to a larger administrative unit including two or more health units, these larger administrative units corresponding to the "health sector" described below under para. 15 in larger countries or to regional levels in small countries.

The economic factor

11. In discussing personnel and geography we have come to the conclusion that the optimum area, from the standpoint of efficiency, would be a geographical area with a radius of about 35 kilometres and a population of about 50,000. However, such an ideal is seldom achieved, as it depends on population density and other economic factors. In highly populated regions such an area might include three or four times that population, while in sparsely populated regions it might include much less than 50,000 people, making it uneconomical to establish the system described above. Certain compromises must therefore be made. In densely populated regions the health unit may be made geographically smaller, while in sparsely populated areas it must be made larger. Furthermore, in isolated areas (such as islands or mountainous regions) the full complement of personnel and medical establishments may be required for a smaller population. The final decision as to the size of an area will therefore depend on the availability of resources, both in terms of personnel and of material facilities, such as buildings, equipment and transport.

<u>5</u>/ <u>Ibid.</u>, section 3 (p. 25).

The economic factors involved should not, however, prevent national planning being put into effect as economic resources improve. The long-range plan can be based on the optimum, the shorter range plan on the available resources. 6/

- 12. A very typical problem facing many health administrations is the question of priorities in the establishment of services. When the economic resources and personnel available do not allow a complete coverage of the population with effective services in the immediate future, two methods of tackling the problem are often possible. One has been to provide effective "model" services with well-trained personnel for a limited area and to leave the rest of the country practically without services with the aim of gradually extending the services to cover the whole country. The second solution has been to "spread thin" and to provide some services for practically the whole country, e.g. with the use of auxiliary personnel, and gradually to strengthen these "weak" services by complementing or replacing auxiliaries with fully trained personnel when they become available and economic resources allow for this arrangement.
- 13. Pakistan has embarked on a scheme, based on the first method, for providing a few units giving a relatively effective service for 50,000 people, but planning to cover the country with 300 centres within five years and to give complete coverage within fifteen years. The other approach was taken, for example, in the USSR: feldsher posts were established all over the country and gradually the physicians' services were brought closer to the population as the number of physicians increased.

The administrative factor

14. From the administrative point of view, it is believed that the general purposes of decentralization and regionalization can best be accomplished through the following administrative tiers or levels:

- (a) Central (or federal) administration;
- (b) Regional (provincial or district) administration;
- (c) Sub-regional (sub-district or county) administration;
- (d) Local (municipal, township or village) administration.

The eventual number of administrative tiers will, of course, depend on the size of the country and its political structure. In a small country, for example, the intermediate levels (regional and sub-regional) may be merged into one, while in very large countries under a federal structure the second (provincial) level may be further sub-divided into regional, sub-regional and local levels.

15. The health unit described above would correspond to the sub-regional level in rural areas. In the case of large countries, however, several such health areas may be included (in which case the unit may be known as a "health sector"). It is, however, important that the geographical boundaries of the health region and health sub-region should correspond to the administrative division of the country for other purposes (police, education, social welfare, etc.). It is also important that the centre of such regions and sub-regions should be common to the other services, thus allowing for co-operation and co-ordination of services,

^{6/} Ibid., section 5 (p. 31).

- with, for instance, education (health of school children), social welfare (medical care of social cases), public works (sanitary aspects) and agriculture (nutrition). 7/
- 16. The need for a central co-ordinator is debatable; in one approach co-ordination can be accomplished by the meeting of the various chiefs of the services under the administrative head of the area. If a central co-ordinator at regional level is appointed, however, care must be taken to clarify the functions of the co-ordinator and to avoid clashes of authority. The regional service chief should attempt to co-ordinate his efforts with those of other services, but he should not be placed in the position of "servant to two masters", for his authority must depend on the central authority of his own service and not on the regional co-ordinator.
- 17. Public participation is necessary and should be promoted. This is best done at the local level where the community spirit and community participation can find their widest acceptance and expression.

Actual application of the system

- 18. The following information, accumulated in different parts of the world, concerning the administration of local health units will give some idea as to what has evolved from practical experience. In India, for example, a local health unit under the charge of a full-time physician and a team of nurses, midwives, sanitary assistants and auxiliary health workers, covers a population of about 65,000 in rural areas. This size was considered by the local health officers too large and it was recommended that such rural health units as exist in India today should not cover more than 20,000 to 30,000 people as an optimum. In Czechoslovakia a community health unit with a full-time physician in charge and with a minimum staff of nurse and other health workers covers a population of 4,000. In Indonesia, at the other extreme, one rural health unit with one physician in charge has to cover an area of 1,000,000 population in some rural areas.
- 19. The services provided by such rural health units cannot be very comprehensive because of lack of specialists. For adequate provision of specialist services, the establishment of a network of hospitals and laboratories is necessary. These types of services can only be made available when the size of population or the economic condition of the local communities can support them. In some of the developing countries, this might mean a population of as much as 1,000,000. However, the aim should be for specialist services to be provided at district hospital level (population, 200,000) at least surgery, medicine, obstetrics, pediatrics, ophthalmology, ear, nose and throat and perhaps gynecology.
- 20. In some countries it has been considered necessary to organize health services on a regional basis covering a large area in order for it to be economically feasible for the local population to support the needed service. From the technical standpoint, a more or less self-contained unit of rural health services should include a hospital and a laboratory to provide both clinical and public health examinations.

-124- /..

Thid., section 6 (p. 35), especially sub-section 6.2 and 6.3.

Conclusion

21. For health purposes, a rural region of about 2,000,000, divided into districts of about 200,000 each, and sub-divided into areas around one major health centre of 50,000 and into minor areas of about 10,000, will justify the provision of all normal health requirements, including technical services at regional headquarters, two grades of hospitals, training schools for nurses and for health personnel, one field practice area, etc. But the state health area should correspond as closely as possible to the proposed or existing civil administration area and the other public services with which it should co-operate. Sometimes this reconciliation may not be possible without sacrifice in one or the other direction.

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SECTION C. ADMINISTRATION OF SOCIAL SERVICES

Optimum areas for the administration of social services*

- 1. Social service has been defined, in a report by a United Nations group of experts, "as an organized activity that aims at helping towards a mutual adjustment of individuals and their social environment. This objective is achieved through the use of techniques and methods which are designed to enable individuals, groups and communities to meet their needs and solve their problems of adjustment to a changing pattern of society, and through co-operative action to improve economic and social conditions". 1
- 2. The above-mentioned report gives an enumeration of the components of comprehensive social service programmes. 2/ Among these components, those which are to be found more particularly in rural communities, within the framework of community development programmes, have been listed in another United Nations document. 3/ For the purpose of the present paper, it may seem appropriate to classify the various social services in three main categories:
 - (a) counselling, where specialized personnel provides advice and guidance or informal education;
 - (b) institutional care, where physical facilities are required in addition to specialized personnel for the performance of service;
 - (c) economic assistance in the form of cash payments and, in some cases, of distributions in kind.

Approach to the question of optimum administrative areas

3. According to another report by a United Nations group of experts, "the central consideration in planning and harmonizing the total administrative structure of a co-ordinated social programme is undoubtedly that of the degree of decentralization to be attempted. Having in mind the intimate relationship between social policies and programmes and the people whom they are intended to benefit,

-126-

^{*} Prepared for the Working Group on Decentralization by the Office of Social Affairs, United Nations Office at Geneva.

^{1/} The development of national social service programmes, United Nations publication, Sales No.: 60.IV.1, Preface, para. 6.

^{2/} Ibid., para. 42.

Revision of part two of annex III to ACC's (Administrative Committee on Co-ordination) Twentieth report (E/2931), ACC/WGCD/VII Working Paper No. 11, 17 June 1959.

considering also the fundamentally democratic objectives of all social policies and the need to ensure citizen support and citizen participation, it would seem to be indisputable that in the establishment of administrative arrangements the objective should be an optimum degree of administrative decentralization. This should not of course be carried to the point of seriously jeopardizing administrative efficiency but, all things being equal, decentralization of administrative arrangements and structures should be one of the main preoccupations of those responsible for implementing a co-ordinated social policy at the administrative level". 4/

- 4. These considerations would lead to defining as optimum areas for the administration of social services the minimum areas which, taking into account all relevant factors, would allow for the efficient administration and operation of the services. Some of these factors are external in character and include, inter alia:
 - (a) The physical and demographic environment: in densely populated areas with easy means of communication, this factor has little bearing on the determination of the adequate structure of social services, and such intrinsic factors as the optimum workload for social workers become a primary consideration; on the other hand, this factor becomes predominant in rural sectors with large expanses of territory, scattered population and inadequate communication and transportation facilities;
 - (b) The general system of public administration, to which social service administration must adjust; and
 - (c) "the relationship of the particular programme under consideration to other services already in operation. The degree of decentralization possible for a school lunch programme will obviously depend on the pattern of operation of the existing school system. Likewise, if vital statistics, school attendance or other similar records are maintained locally, any new programme which requires frequent and continuous reference to these records will have to take this fact into account in its administrative arrangements and decentralize accordingly. On the other hand, if these same records are accumulated in one central place for the population as a whole, a high degree of centralized operation may be possible." 5/
- 5. With regard to intrinsic factors affecting the administrative structure for social service programmes, the dearth of available data on the subject must be noted. There is a lack of research on the requirements not only for efficient administrative organization but also for the operational efficiency of particular types of social services. This latter aspect is essential; it is recommended that further research on optimum areas for the operation of social services should precede any discussion of optimum areas for the administration of these services.

-127- /..

Report on a co-ordinated policy regarding family levels of living, United Nations publication, Sales No.: 1957.IV.7, para. 157.

^{5/ &}lt;u>Ibid.</u>, para. 162.

Decentralization in the operation of social services

- 6. Because of what has been stated in paragraph 3 above, it is suggested that research should concentrate on defining the smallest area and population which would permit minimum operational requirements to be met. Elements to be taken into account in the determination of this "basic operating unit" will depend on the particular type of social services under consideration.
- 7. For social services of the "counselling" type, a characteristic of rural programmes in many countries is the extensive use of auxiliary workers, who require supervision by trained personnel. Because auxiliary personnel should not be allowed to work autonomously, the basic operating unit should include both field staff and the necessary technical supervisory staff. In view of the general shortage of trained personnel, especially in rural programmes, the basic unit thus conceived may, in a number of cases, have to be established well above the village level.
- The optimum area to be covered by social service institutions depends, on 8. the one hand, on the optimum size (e.g. number of beds) of such institutions as determined by technical studies and, on the other hand, on the percentage of the population at the time and in the foreseeable future likely to avail themselves of the service. For highly specialized institutions which involve only a small fraction of the population and should be usually limited in size (e.g. institutions for the rehabilitation of certain categories of physically handicapped persons), the basic operating unit would cover quite a large area and could perhaps be centrally administered. On the other hand, institutions which are to be used permanently or recurrently by a significant percentage of the population (e.g. day-care centres) would usually cover a much smaller area and might be administered by local authorities or voluntary bodies or in some other decentralized form. However, other considerations are then relevant. First, such institutions may be staffed by auxiliary personnel, in which case the basic operating unit should be made of the group of institutions supervised by trained personnel. Secondly, it often happens in rural sectors with scattered populations and inadequate transportation facilities that institutions must be much below the optimum size if they are to remain within the reach of their prospective beneficiaries; this may prove a major obstacle to the development of adequate rural social welfare programmes.
- 9. For social service programmes involving the payment of cash benefits (social assistance), the basic operating units should have a large enough area coverage to permit reasonably accurate forecasts of the need for assistance and, where desired, to make it possible for part of the need to be met locally. A system of grants-in-aid might be instituted in order to equalize the financial burden among operating units, but such a system cannot function adequately if the incidence of the risks covered by each unit cannot be foreseen and is subject to wide variations from one year to another. The possibility of introducing mechanization in operations, while also a factor and an important consideration in favour of centralizing social security schemes, applies only to a limited extent to social assistance systems where means tests or other individualizing devices do not lend themselves to such mechanization.

Decentralization in the administration of social services

- 10. Although, in principle, optimum arrangements should be sought in the direction of maximum decentralization, an obvious limit to administrative decentralization lies in the fact that the area covered by the basic administrative unit or service cannot be smaller than what is referred to above as the basic operating unit for each type of service concerned. Research on particular types of social services would probably demonstrate that, for the reasons already referred to, the minimum area would be located in many cases at the level of a group of villages (such as the block, or panchayat samiti, level in India), rather than at the village level and, for a few types of social services for the provision of specific kinds of social assistance or highly specialized institutional care, at a higher level.
- ll. In view of the general approach which has been adopted towards maximum decentralization, it may be stated that, whenever possible and taking into account relevant administrative requirements, the basic administrative unit should encompass the same area as the basic operating unit for a given type of social services. One main administrative requirement to be taken into account is the availability within this area of organized resources for policy formulation and guidance. This does not refer necessarily to the structure of local government since "administrative functions may in some programmes be decentralized by the delegation of varying degrees of financial, administrative and policy responsibilities to administrative units of a non-governmental character". 6/Another requirement is the availability of qualified personnel to provide technical advice to operational personnel and ensure that standards of operation are maintained. Because of this requirement, the dearth of skilled personnel will in many cases limit the extent to which administrative decentralization can take place.
- 12. The above discussion applies to the determination of optimum areas of administration at the lower level. Reference has been made to specific requirements in the field of social services. For higher levels of administration, it seems that the general requirements concerning the various aspects of decentralization for national development would be fully applicable to the administration of social service programmes. In this connexion, as in the case of other services, the relationship between different levels of government is crucial because, where it is close enough, even a service run by auxiliary personnel could be part of a local government unit, assuming supervision would be provided by a higher level of local government or central government field unit.

^{6/} Ibid., para. 161.

SECTION D. ADMINISTRATION OF AGRICULTURAL SERVICES

Optimum areas for administration of agricultural services*

- l. The question of the optimum areas for the administration of agricultural services is clearly a very complex one, depending as it does upon many factors for example, the density of rural population, which is often quite different from one area to another; the transportation network and general lines of communication; the average level of basic education among the farmers; and the personnel available for agricultural services.
- 2. The discussion on this question which follows represents some of the views of the Rural Institutions and Services Division of the Food and Agriculture Organization.

Agricultural research organization

- 3. This is a typical example of an organization which preferably should have national responsibilities, particularly in the developing countries. For obvious technical reasons and because of such factors as lack of scientifically trained personnel and of funds and the consequent necessity of avoiding any duplication, agricultural research should be a centralized service. Such a service should be responsible for establishing national research policy as well as the broad lines of research programmes, for determining the organizational structure of research services and for allocating available personnel and funds in accordance with the priorities of the national research programme.
- 4. In large countries a workable solution may be to have the local authorities but not below the provincial level associated with the central government for the administration of field stations or sub-stations dealing with applied research. This is particularly advisable when some provinces have specific problems or basic requirements in regard to their agricultural development. While this does not imply direct participation of the provincial authorities in the national administration of research, arrangements should exist for them to propose research projects for inclusion in the national research programme which are of direct interest to the province or area concerned.
- 5. The final decision regarding programmes of work and the administration of research services should be the responsibility of a co-ordinating body, generally a national Agricultural Research Council, so that the interests of all departments and the problems of all types of producers can be taken into account. In countries with a federal structure, the general research organization, as well as the fundamental research programmes, should be the responsibility of the central government. The provincial authorities clearly have an important role to play in assuming responsibility for the administration of research stations dealing with applied research of immediate interest for the economic development of the province. Even in the case of this type of research which is primarily of local interest, however, it is advisable for it to be co-ordinated with other research activities by a National Research Council or other similar body.

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^{*} Based on material supplied to the Working Group on Decentralization by Robert J. Pichel, Rural Institutions and Services Division, Food and Agriculture Organization.

Agricultural education and training

- 6. Three different levels of agricultural education and training have to be considered:
 - (i) Higher level. Education at this level is normally the responsibility of nationally recognized universities, but it is advisable for the central government to study the present and future needs of agriculture for trained personnel and to determine the national policy on higher-level agricultural education.
 - (ii) Intermediate level. As instruction at this level is of a more practical nature, usually with emphasis on local problems, the administration of these schools can best be carried out by local or provincial authorities. There are certain types of intermediate-level schools, however, which can be most appropriately administered by the central government, such as those for teaching highly specialized skills or for training extension and other types of field workers who will be employed by the different agricultural services.
 - (iii) Low level. Even if the initiative for establishing practical schools for this level of training has come from the central government, or the provincial government in large countries, it is highly desirable that local authorities assume responsibility for their administration. In some cases it will be necessary to hand over responsibility in gradual stages, but this should be done.
- 7. A national policy should be established not only on higher-level agricultural education, but also on the other two levels, and assistance should be provided when necessary to local authorities responsible for educational institutions in agriculture. With regard to intermediate and low-level schools, the Ministry of Agriculture can perform a useful co-ordinating function.

Agricultural extension

- 8. Some of the general principles already noted concerning research and education are also applicable to agricultural extension, which can in fact be classified as an educational activity.
- 9. Because of the very close liaison which must be established between research and extension, it is necessary that, as in the case with research, a central institution exist to deal with extension. The central government has responsibility for ensuring that research programmes reflect the needs of the producers, that the results of research are made available to extension workers for passing on to the farmers, that national and provincial extension activities are supervised and co-ordinated and that specialized training is provided for extension workers.
- 10. In the developing countries especially, because of the scarcity of personnel, it does not seem advisable to decentralize the extension services below the provincial level. Because of the nature and social implications of extension activities, local authorities must be closely associated with them, but for technical reasons, as already mentioned, complete administrative responsibility for extension cannot be devolved upon local authorities below the provincial level.

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- ll. In order to be effective, the extension workers must be located within the areas where they are to work and not concentrated in provincial centres.
- 12. The following data on ratio of farmers to field extension workers in selected countries of Asia and Latin America in 1959 is of interest in this connexion:

Country	No. of Farmers
	. 7
Thailand	13,000
Ecuador	7,000
Bolivia	6,000
Chile	5,000
Argentina	4,000
South Korea	2,500
Taiwan	1,500
Japan	650

13. Experience in countries with small farms has indicated that each field extension worker can effectively serve from 600 to 1,000 farmers, depending upon such factors as the availability of transportation facilities, the closeness of settlement, the educational and technical level of the farmers and the suitability of the methods used to contact and persuade them.

Rural credit and co-operatives

- 14. A centralized administration is recommended both for rural credit and for rural co-operatives. However, depending on the size of the country and the administrative structure (unitary or federal), it may be considered convenient to have some provincial administration, in addition to a central organization. In some countries, e.g. Brazil, provinces have their own organizations, which are, in practice, independent of the central organization, except for a measure of co-ordination with it. In other countries there is a centralized administration and organization for co-operatives (as in India, where there is a ministry dealing with this matter), but each level of the administration has its own organization, which, however, is co-ordinated with the higher-level organization.
- 15. In the field of rural credit and co-operatives, therefore, one central organization is the most advisable method; when separate organizations have to be established for imperative reasons, close collaboration must be organized between national and provincial levels if the solution is to be a workable one.

ANNEX III

PATTERNS OF DECENTRALIZATION IN SELECTED COUNTRIES*

SECTION A. BRAZIL

Local government and field services in Brazil**

Basic data

- 1. Brazil has an area of 3,291,416 square miles and a population, estimated on 1 July 1958, of 62,725,000.
- 2. Two major geographic features, the mountain range that borders the eastern part of the country and the lowlands of the Amazon basin, have reduced the penetration of civilization westward, with the result that the bulk of the population and of the economic and cultural life of the country is concentrated in the coastal region. There are a few large cities further inland, but only recently, especially with the founding of Goiânia, capital of the State of Goiâs, and the construction of the country's new capital, Brasília, has the "march towards the west" taken definite shape.
- 3. This long tradition of facing outward has facilitated Brazil's contacts with the outside world and has helped maintain its cultural ties with European and other nations. It accounts, on the one hand, for the rather cosmopolitan sophistication of the elite of Brazil.
- 4. On the other hand, it has prevented the development of a more genuine national culture, although in recent decades the Brazilians have gained much in cultural independence from their traditional European patterns.
- 5. The main economic activities are coffee and cocoa production, cattle-raising and mining, forestry and fisheries, based on the country's abundant natural resources. Traditional industries include the production of textiles, food products, chemicals, pharmaceuticals and paper. In recent years industrial production has been diversified to include shipbuilding and the manufacture of heavy machinery, trucks and automobiles. Private initiative, with the assistance of the National Bank for Economic Development, a Federal agency, is receiving every possible stimulus for the establishment of new industries and the expansion of existing ones.

Structure of government

6. Brazil is a Federal country composed of twenty-one States, a Federal District and four federal territories. Each State is governed by its own constitution and by laws voted by the State legislature. The territories are administered by the Federal Government.

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^{*} These papers have been prepared at the request of the United Nations Secretariat. The views expressed are those of the authors.

^{**} Prepared for the Working Group on Decentralization by Diogo Lordello de Mello, Secretary-General, Administration and Finance, Prefeitura de Distrito Federal Brasilia.

- 7. Until August 1961, Brazil was a presidential republic, but the parliamentary system of government was introduced as a solution to the political crises that followed President Quadro's resignation.
- 8. The States, which are modelled after the State governments in the United States, are miniature national governments. The Governor is directly elected for a four or five-year term and is ineligible for re-election. He appoints all the important administrative officers, including the members of his cabinet. He presents annual and special messages to the legislature and his vetces can only be overriden by a two-thirds vote. The members of the State legislatures are directly elected for four-year terms.
- 9. Both the States and the territories are divided into municipalities (municipios), which are the units of local government in Brazil. Thus, there are only three levels of government in the country: the federal, the State and the municipal.
- 10. In 1950, there were 1,761 municipalities in Brazil, but by the end of 1960 their number had increased to about 3,000 as a result of the municipal sub-divisions that have taken place since 1950. Each municipality comprises the rural areas as well as the urban communities within its borders, both constituting a single governmental unit. Municipalities may be sub-divided into districts, but district organization has not had sufficient importance to be considered a significant factor in local government, the district administration being no more than a ramification of the municipal government. The district chief administrator is appointed by the mayor with the approval of the municipal council. In the State of Pernambuco the office (sub-mayor) is filled by popular election, when the population of the district is above 5,000.
- ll. The urban community, where the seat of the municipal government is located, is called a city ($\underline{\text{cidade}}$); the seat of the district is usually given the title of village ($\underline{\text{vila}}$). There are thus as many cities in Brazil as there are units of local government or municipalities.
- 12. A great variation is found in the size of the municipal areas. The largest municipality (Altamira, in the State of Pará) comprises a territory of 110,000 square miles; the smallest (Aguas de São Pedro, a hydro-mineral health station in the State of São Paulo) is less than 1 square mile in area.
- 13. Special districts (decentralized entities for carrying out specific functions) are unknown, and although the States have a different territorial division for judiciary purposes, the municipality is still the unit upon which that division is based.
- 14. The Brazilian Federal Constitution does not explicitly mention the municipality as an essential element of the Brazilian Federation and does not explicitly impose upon the States the obligation to divide themselves into municipalities; but they have all done so nevertheless, in accordance with a long-established tradition. In spite of this, it is now believed that the autonomous municipality constitutes an administrative and political order inherent in the Brazilian Federal system, since the Constitution establishes the principle of municipal autonomy and protects it by federal intervention in the States.

-134-

Local authorities

- 15. Local government structure. All Brazilian municipalities have the same form of government, the mayor-council system. Both the council and the mayor are elected at large by universal suffrage in partisan elections in which the several political parties are granted proportional representation. Only in a very few municipalities is the mayor appointed by the State governor.
- 16. The council is the legislative branch of the government; the mayor is the chief of the executive. The powers of each branch and the relation between them are so construed as to imitate, in great detail, the presidential system of separation of powers adopted at the Federal and State levels. Although this system is not explicitly imposed upon the municipalities either by the Federal or the State constitutions, it is believed by many to be the only one consistent with the spirit of Brazilian governmental institutions under the present constitutional regime. Some States have, nevertheless, overlooked the principle with regard to their municipalities, departing in one point or another from the rather rigid formulas of separation of powers. 1/
- 17. The council. The council is elected for a four-year term and councilmen may be re-elected. The number of councilmen is established in the municipal organic law voted by the States and varies according to population. The smallest councils have five members and the largest forty-five. The periods during which the council meets also vary from State to State. Longer and more frequent sessions are usual in the larger cities, where the council meets daily (Saturdays and Sundays excepted), from March to December. In the smaller municipalities there are three or more sessions each year, at the beginning, the middle and the end of the year, each session lasting ten to thirty days. The shorter and less frequent sessions adopted in the rural municipalities are more convenient for the representatives of the rural areas who have to interrupt their activities in order to participate in the meetings.
- 18. In some States councilmen are paid; in others, their services are free and considered as meritorious to the community, according to a tradition which is now disappearing in Brazil; and in still other States councilmen are paid in municipalities with large incomes and are not paid in the other municipalities. In some State capitals the compensation of councilmen is higher than that of most municipal officials and employees.
- 19. The council is divided into several committees, the most common being the following: Executive Committee (made up of the speaker or president of the council, ore to three vice-presidents, a secretary, and one or more vice-secretaries); the Budget and Finance Committee; the Public Works Committee; the Legislative and Justice Committee (entrusted with the study of the legal aspects of bills); the Committee of Accounts (charged with the examination of the mayor's annual report); the Education, Public Health and Social Assistance Committee; and the Agriculture and Development Committee.
- 20. Committees are composed so that the several political parties are represented in them according to their participation in the council. In the selection of committee members attention is often paid to the particular abilities of the

-135- /..

^{1/} The application of the parliamentary system at the State and municipal levels is still under study.

councilmen, so as to take advantage of their experience and knowledge in the field for which the committee is responsible.

- 21. The function of the committees is to study each bill that is introduced in the council as it may concern each committee. A report must be presented by each of the committees concerned to the council, which may accept or reject its conclusions. The Executive Committee is entrusted with the internal administration of the council.
- 22. As the legislative or policy-making branch of the municipal government, the most important function of the council is to pass ordinances on matters pertaining to the competence or the peculiar interest of the municipality. A vote of the council is required, among other things, in the following matters: taxation; approval of the budget proposed by the mayor; concession of tax exemptions and other fiscal favours, as well as of any privileges; concession of public utility franchises; approval of agreements and compacts in which the municipality is a part; sale or lease of municipal real estate; creation and organization of municipal services; borrowing; position classification and salary scales; basic municipal codes, such as the building code, the sanitary code and other regulatory ordinances; and adoption of master plans, zoning and sub-division regulations.
- 23. The council also has inspection and control powers in relation to the municipal executive. These powers are: to impeach the mayor; to audit the mayor's annual report on the execution of the budget; and in a few States to review, on appeal, mayoral decisions in such matters as personnel and tax assessment.
- 24. The council has no administrative functions except in relation to its internal organization. It has the power to vote its own by-laws, to elect its committees, including the executive committee, to organize its secretarial services and to recruit, select and appoint its employees.
- 25. In some States the council also has the power to establish the compensation of the mayor and its own members, within the limits set in the municipal organic law. Other powers of the council are: to authorize leaves of absence of the mayor; to suspend municipal ordinances which are declared unconstitutional by the courts; and to speak for itself before higher authorities. When the mayor's post is vacant and there is no vice-mayor to take over, the post is filled by the president of the council, until a special election is called to choose a new mayor, but this, in most States, only if the vacancy takes place during the second half of the mayor's term.
- 26. The preparation of the budget is reserved to the mayor. The council can alter the mayor's proposal, except in relation to those items which are tied to previous legislation, for the budget ordinance cannot contain provisions alien to the budget itself. In most States, if the budget proposal is not submitted by the mayor at the deadline set in the municipal organic law, the current budget is adopted for the next fiscal year. In a few States the council, in this case, prepares the budget.
- 27. Local ordinances are not subject to approval by any higher authority, although most State constitutions establish that the State Legislature has the power to suspend and to annul local ordinances which it considers unconstitional

-136-

or contrary to the interests of the Union, the State or other municipalities. It should be noted, however, that this power has practically not been used; and a recent decision of the Federal Supreme Court declared the provision unconstitutional.

- 28. The mayor. The executive branch is headed by the mayor (prefeito), who has the entire responsibility for the administration, as the chief executive and the sole elected official in the municipal administration. Except in the case of a few State capitals and hydro-mineral health stations, the mayor is elected by the people. In the exceptional cases, the mayor is appointed by the State Governor, and serves at his pleasure, but his relation to the council remains unchanged. The mayor is elected for four years in fifteen States and for five years in five. He is always paid.
- 29. According to the traditions of the Brazilian presidential system, the mayor has the veto power and the power to initiate ordinances with exclusiveness in certain matters, especially salary scales and creation of positions in existing services. The presidential system is here cited not because it applies explicitly to the local level, but because it has undoubtedly inspired the organization of the municipal government.
- 30. As the chief executive, the mayor is vested with all those executive and administrative powers necessary to the management of municipal affairs, including: the preparation and execution of the budget; the publication and enforcement of ordinances; the appointment and removal, according to the civil service laws, of all department heads and other municipal employees; the imposition of fines for the violation of municipal ordinances, resolutions and contracts; and the legal and official representation of the municipality. 2/

Functions of the municipality

- 31. The functions performed by the local governments in Brazil are basically similar to those found in most countries. Yet, it should be borne in mind that the Brazilian municipality includes both the urban communities and the rural area within its limits, so that some services must necessarily be of a rural character. In this category fall, especially, the contruction and maintenance of rural roads and those services rendered directly to farmers and cattle raisers and directed towards developing the natural resources of the municipality. These include the distribution, free or at cost price, of such commodities as seeds, fertilizers, agricultural tools, chemicals and medicinal products for use against animal and vegetable diseases and pests; the lending or leasing of agricultural equipment; and flood control, erosion control and other conservation measures.
- 32. The other functions performed by the municipalities include, in general: public works, education, public health, public safety, social assistance and industrial services.

^{2/} The enumeration of the powers attributed to the council and to the mayor is fundamentally the same in all municipal organic laws of the different Brazilian States.

- 33. Town-planning. Town-planning, including zoning and building inspection, is always a local function, according to the municipal organic laws voted by the States, which recognize it as a function of the peculiar interest of the municipalities. There is much to be done in Brazil in this field. Few municipalities have what can be called a master plan. Fewer have a real zoning ordinance.
- 34. <u>Public works</u>. The municipalities are free to undertake the construction of any project necessary for the functioning of their services. This power is implied in their power to maintain such services. There are, however, rules concerning bids that must be observed when the construction is not carried out directly by the municipality, that is, when done by contract with private contractors.
- 35. Housing is one of the functions exercised concurrently by the three levels of government in Brazil. The municipalities have a free hand in the matter, under the planning and social assistance powers granted to them in broad terms by the States.
- 36. Urban roads and streets are regarded, by the States, as one of those matters pertaining to the peculiar interest of the municipalities. Their construction and maintenance are always a municipal responsibility. Roads and highways can be federal, State or municipal. Intramunicipal roads are usually municipal. The local governments receive an in-lieu tax from the Federal Government for use in the construction and maintenance of the municipal highway system.
- 37. Social services, sanitation and public health. The municipalities act concurrently with the States and the Federal Government in these matters, according to the powers granted them by the municipal organic laws. Most municipalities do not maintain social services of their own, but grant subventions to private institutions devoted to social work. Sanitary police is considered both a State and a municipal function but is rarely exercised by the municipalities, for lack of adequate personnel. Many municipalities maintain hospitals, medical centres, child-care centres, dispensaries, etc., there being no limit to their action in such matters. Since the States and even the Federal Government also operate such services without any dividing line as to the authority of each, duplication and a poor distribution of benefits often occur. The rural population is the most harmed by this; since there is no provision governing the location of these services, the Governments tend to concentrate their attention on the cities (seats of municipal governments).
- 38. Education. Elementary education is provided for by the States and the municipalities and also by private schools. Its regulation rests mainly with the States. Governmental responsibility in this field is divided about equally between the States and the municipalities. Each maintains its own system of elementary schools with its own school buildings and teachers. Co-operation between the State and the municipalities, under the form of agreements, is very common for the joint operation of schools. According to these agreements the State provides for the school buildings, and the municipalities for the teachers and equipment, or vice versa. The quality of the education provided for by the States is usually higher than that provided for by the local governments, especially because of the better selection of teachers by the former and their higher salary scales. Little is done by the municipalities in the area of

-138-

secondary education, which is mostly provided at private schools. Many secondary schools, however, are maintained by the States.

- 39. Higher education is provided for mostly by the Federal universities and by some Catholic universities and colleges. There are rare instances of municipal participation in this area, and there is no prohibition to the operation of secondary schools and colleges by the local governments.
- 40. The Federal Constitution establishes that the municipal governments must spend at least 20 per cent of their income from taxes on educational services.
- 41. Public safety. Policing, in the strict sense, is a state function. The municipalities can maintain only administrative police, for the enforcement of their ordinances, such as building sanitary and tax codes. The State is also responsible for traffic police. The participation of local government in traffic control is found in a few States only and is limited to the allocation of parking zones and other matters related to traffic engineering.
- 42. The municipalities can maintain night guards for the protection of persons and property. In some cities this service is performed by private organizations.
- 43. Few municipalities maintain a fire department. In the State capitals this function is usually performed by the State Government, the fire departments being organized on a quasi-military basis.
- 44. Public utilities. The local governments have the power, granted to them by the municipal organic laws, to operate public utilities, which many do. They also have the power to grant concessions to private concerns for the exploration of such services, when the area of operation is within the municipal boundaries.
- 45. Cultural activities. Only the larger cities maintain theatres and opera houses. Sports stadia and municipal libraries can be found in many municipalities, but the stadia are usually operated by private clubs. The municipal governments act in this area under the authority granted to them by the municipal organic laws. In the State capitals the principal public library is usually operated by the State Government.
- 46. Other functions. Other fields of municipal activity include the operation of slaughter-houses, public markets, public fairs and cemeteries. These are functions considered by the municipal organic laws as pertaining to the peculiar interest of the municipalities and have by tradition been ascribed to the local governments. The secular character and the administration of the cemeteries by the municipalities are provided for in the Federal Constitution itself.
- 47. It is very difficult to generalize about the comprehensiveness and effectiveness with which municipal functions are performed in Brazil, except perhaps to say that they are usually considered as unsatisfactory, especially as regards the rural population. Shocking extremes will be found in the degree to which the physical and human resources have been developed in Brazil. The contrast between the financial resources of the large urban centres, represented especially by the State capitals and the Federal District, on the one hand, and the rural municipalities, on the other, has already been pointed out and may serve as an indication of the capacity of the local governments to perform their

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functions. This fact, more than any other, determines the scope of the governmental activities actually carried out and sets the tone for the whole municipal life - hence the capital part which the increase of the sources of local income - both private and public - has played in the municipalist movement.

- 48. The absence of a sound district organization has resulted, over the years, in a concentration of the public funds and services in the city serving as the municipal seat. Absolute predominance of the city over the rest of the municipality has therefore been easily established, so much so that the size of the Government and the nature and scope of its functions are made dependent almost entirely upon the population and economic resources of the city, rather than upon the municipal area and the total municipal population and resources. It is a point agreed upon by every student of municipal life in Brazil that the local government exists to serve the urban dwellers. In a country whose population and economy are still mainly rural, this situation is surely a primary reason for the grave social and economic problems that have so long afflicted Brazil.
- 49. The 1950 general census showed that the typical Brazilian municipality had a population between 20,000 and 50,000, while the typical city (there is one city for each municipality) had a population of less than 5,000. These figures seem adequate to express the rural nature of the Brazilian population.
- 50. Lack of sufficient statistical data does not allow a representation of the expenditures incurred by the municipalities of different classes of population for their functions and services. However, taken all together, except the Federal District, it was found that, in 1955, the municipal funds were spent for the following purposes, in decreasing order of expenditures: public works and utilities, general administration, miscellaneous services, education, industrial services (slaughter-houses, markets, etc.), municipal debt, financial administration (tax collection and inspection), public health, public safety and social assistance and agricultural and industrial development.

Field Administration and central-local relations

- 51. Because of the extreme degree of political and administrative autonomy enjoyed both by the States and the municipalities, the relationships between the three governmental levels are carried out from Government to Government, not from a central or higher governmental level to its subordinate or field agencies. The agreement, signed by the interested governmental units, is the formal instrument for those relationships in which the execution of projects of common interest is involved. In agreements, the contracting parties stand on an equal footing, and the agreement can be freely renounced by any of the parties. Central-local relations thus fall under the "dual system", as defined by the Working Group on Decentralization.
- 52. Much co-operation between the three levels, however, takes place without the signing of a formal agreement. It should also be pointed out that the federal and state field agencies are at a great liberty to operate independently, that is, without the need to consult or act in accordance with any of the other governmental levels. This often leads to wasteful duplication of efforts and even to conflicting policies and actions. This occurs even in relation to the activities of the several field agencies belonging to the same governmental unit, for each field agency is controlled by a central or a region? office set up on a

-140-

specialized basis, there being no official, in Brazil, like the French Préfet, who represents the central government as a whole in his Department.

- 53. The area of operations of the federal services sometimes coincides with State boundaries, and indeed some ministries (Finance, Labour, Public Works) have their departments deconcentrated on a State basis. The same is true of the social security institutes (ad hoc bodies). Others, like the military ministries, have their principal field agencies organized on a broader territorial basis, each one covering several States. Finally, some other ministries and authorities have regional offices covering a few municipalities and reporting directly to headquarters.
- 54. State services usually take the municipalities as the basic territorial units upon which to base the organization of their field offices. Sometimes the local office reports directly to headquarters in the State capital, sometimes to regional offices which cover several municipalities.
- 55. The selection of the area of operations for the different services is made in consideration of several factors, one of the most important being the coincidence between the administrative boundaries of the field agency and the political boundaries of a governmental unit (either a State or a municipality). This tends to facilitate inter-governmental relations. Tradition is another factor: older services tend to keep their older ways while the newer ones organize themselves in conformity with more current ideas. Since over-all reorganization of the federal and State administration is never or seldom undertaken, discrepancies in the criteria for the selection of field agency areas tend to be maintained.
- 56. Because Brazil is such a vast country with a still unsatisfactory transportation system, transport and communications are also a factor in determining the boundaries of field agencies.
- 57. Several agencies, such as the Indian Protection Service and the production control institutes, are organized on a clientele basis and thus must have their agencies in the areas where their clientele is to be found.
- 58. Finally, political considerations are also a determining factor in the location of field agencies. Political patronage has been constantly denounced as an undesirable instrument for establishing many federal and State field offices in places in which the services are not needed or which are not the most adequate. This criticism applies particularly to the local offices of certain social security institutes. The objective of the patronage system is above all to provide well-paid jobs to local politicians and their friends.
- 59. Control powers of field agencies. The field agencies are given power to control the application of grants-in-aid and subsidies to local self-governing authorities, or any authority of a lower governmental level, as well as to private and semi-public organizations. The same occurs when a project is being carried out by an agreement between the Governments involved. The application by the State and local governments of their shares of certain federal taxes is also controlled by regional field offices of the Federal Government, a good example of this being the technical and financial control exercised by the Federal Highway Department over the State highway departments and by these over the municipal highway services. This control consists of approval of the highway plans and programmes, to see that

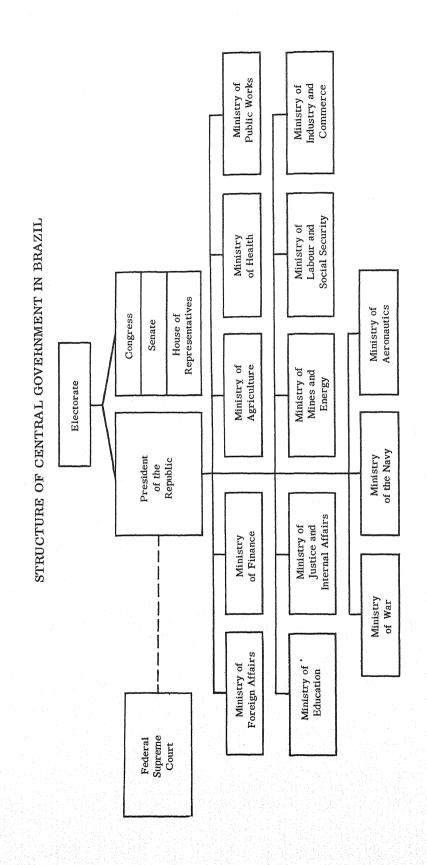
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they fit into the plans adopted by the higher authority, and of application of the highway funds distributed to the States and municipalities by the Federal Government.

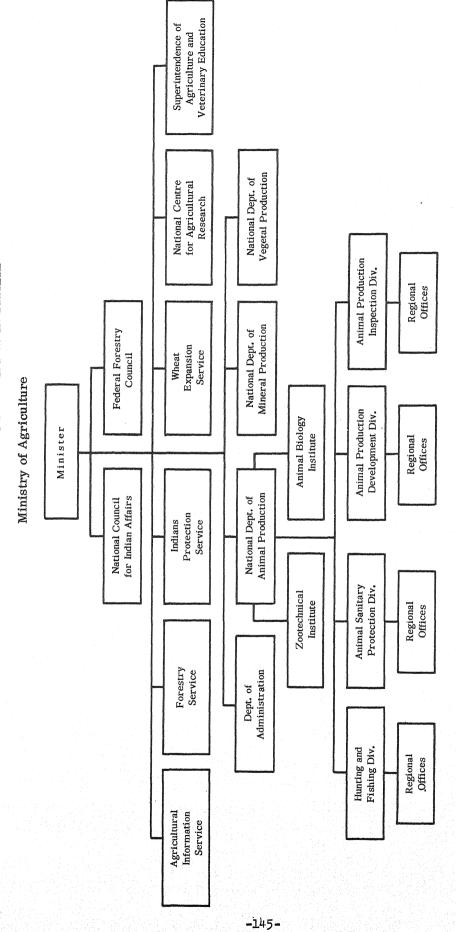
- 60. In general, the tutelary functions of field agencies over local governments consist of approval of plans and of the project being carried out by joint actions of the two Governments concerned and financial control usually a posteriori, of the operations involved.
- 61. The major effect of this control and its advantage, too is that it tends to make the use of grants, subsidies and other forms of local participation in federal or State taxes more efficient and more honest.
- 62. As most local governments usually lack technical competence and means to undertake certain operations and activities, as well as to maintain certain services, technical control from higher authorities is often indispensable to the success of certain projects.
- 63. Since the present system of control of the financial operations of the local governments by the municipal councils themselves is regarded as very unsatisfactory, it is felt that greater accountability is secured when a higher authority controls the application of funds by the local governments, as is the case with certain grants and subsidies. Graft and other forms of corruption, however, are still present, even under this system, either by connivance between the field agent and the local authorities or by lack of effective control procedures.
- 64. There is a growing feeling among federal and State administrators, students of government and the press that more control should be exercised over those agencies state or local which receive financial assistance from a higher government. These controls should not only be extended to certain operational areas which are now outside any control but should also be made more strict, more thorough and more effective. It seems, however, that the question of political morality lies at the heart of this problem. The unwillingness of many higher authorities to use their control powers properly, because of political considerations, is far too common. Yet, it can be concluded that in spite of all its deficiencies, much more is accomplished under the present system than if no controls were exercised at all by the field agencies of the higher government over the local bodies.
- 65. As has been pointed out above, contact of field offices with local bodies is sometimes necessary for the discharge of the field office duties. There is a vast area of inter-governmental relations calling for the continual co-operation of federal, state and local authorities for the solution of problems which, on account of the prevailing system of concurrent competence in many matters, are common to the three levels of government in Brazil.
- 66. Formal field agency contacts at the local level are usually made with the mayor, who is the head of the municipal administration. The municipal council is heard only informally or when the passing of an ordinance is regarded as necessary to the fulfilment of the field agency objectives, but even then such a contact is made formally through the mayor, who is the sole legal representative of the municipality.

-142-

- 67. Another significant informal contact is that maintained by the field agent with the local political bosses for the purpose of directing the field agency activities as much as possible within the interests of the local boss who is to be favoured by the field agency. The discretion allowed the field agency is often exercised in this manner. Sometimes the field agent, because of political manipulations, goes beyond his legal powers, or the instructions he has received from above, and acts illegally or against the established objectives of the programme of his agency.
- 68. Conscientious field officers use discretion in selecting alternatives for action by listening to the community and local leading citizens rather than to the politicians when they feel their views differ. In some parts of the country where politics are fought more bitterly, as in the north and north-east, and in the more politically ridden services, such as the federal social security institutes, this course of action may prove very dangerous to the field officer, for political pressure will often be brought to bear upon him to change his attitude, and retaliation is certain to follow if he persists retaliation which ranges from removal to another post to dismissal from the service.

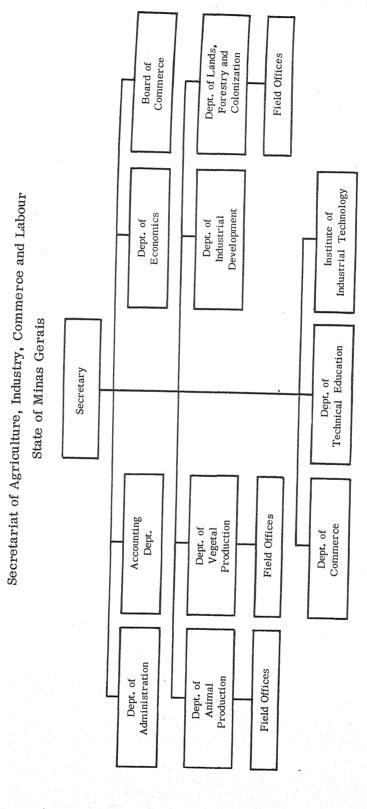


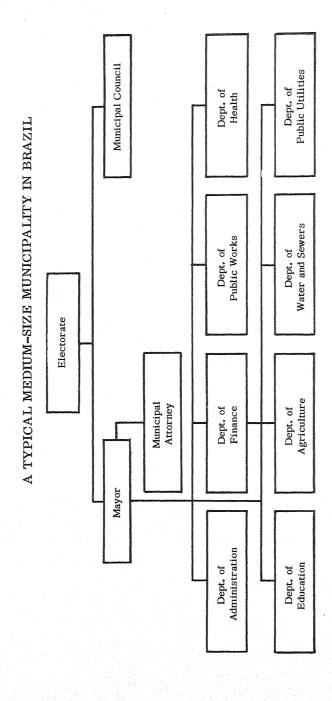
A TYPICAL TECHNICAL SERVICES MINISTRY IN BRAZIL



A TYPICAL STATE TECHNICAL SERVICES SECRETARIAT IN BRAZIL

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SECTION B. BURMA

Pattern of decentralization in Burma*

Basic data

- 1. Burma has an area of about 260,000 square miles, which is a little larger than that of France, and is divided physically, into three well-marked regions the Western Hills, the Central Belt and, in the east, the Shan Plateau, with a southward continuation of this highland in the Tenasserim. The sea washes Burma on her western, southern and south-eastern coast lines. The coast, which is serrated and rocky for the most part extends for about 1,200 miles, from the Naaf Estuary in Arakan to Victoria Point in the Tenasserim, which merges with Thailand and the Malaya Peninsula.
- 2. More than half of Burma is covered with forests. There is a series of river valleys, including those of the Irrawaddy, Chindwin, Sittang and Salween rivers. The most popular means of transport are the launches and steamers of the state-owned Inland Water Transport Board, which ply over most of the 9,500 miles of navigable waterways. Next to the inland waterways, the railways, which link up various parts of the country, are the most important mode of transportation. The route mileage is 1,858 miles; the track mileage, 2,313. There are also 13,000 miles of roads suitable for light motor-transport, about 5,000 miles of roads suitable for bullock carts, about 8,000 miles of mule tracks and about 50,000 miles of village tracks. An encouraging development is the increasing use of airways, which now connect a number of towns.
- 3. At the outbreak of the Second World War, Burma had 63,000 miles of wire connecting 656 telegraph offices. These were almost entirely destroyed during the war, but reconstruction has been substantially completed.
- 4. Burma has a multiracial population of 20 million. The Burmans, who form 85 per cent of the total population, live mainly in the plains. The other racial groups, the Shans, Kachins, Kayahs, Karens and the Chins, live in the hills and plateaus. Two-thirds of the population are agriculturists. Agricultural villages form the primary units of social life, except in the hills, where tribal units generally constitute the basic social organization.
- 5. The percentage of literacy in Burma is as high as 60 per cent, among the highest in Asia. This high rate is to be attributed to the Buddhist monasteries throughout the country, which, in addition to religious education, teach reading, writing and arithmetic. Since the attainment of independence in 1948, more and more schools have been opened. Today there are 11,582 primary, 523 middle and 274 high schools, and the total student population is approximately 1,720,000. There are also 52 technical high schools, 49 agricultural schools and 200 commercial schools.

-149- : /...

^{*} Prepared for the Working Group on Decentralization by U Thaung, Prime Minister's Permanent Secretary, Public Administration Division, Office of the Prime Minister, Rangoon.

6. The main institution of higher learning is the University of Rangoon, with an annual enrolment of over 11,820, as compared to about 1,500 in the pre-independence period. The University of Mandalay has an enrolment of approximately 2,000 students.

Structure of government

- 7. Burma became a sovereign republic on 4 July 1948, and chose to remain outside the British Commonwealth. Its Constitution is federal in the sense that the Union of Burma is composed of Burma proper and constituent states, but the Constitution contemplates a strong centralized government. Although certain legislative powers have been conferred on the states, the Union is vested with residuary powers. The states were constituted not for the purpose of preserving a federal character, but to safeguard the rights of the national minorities, who, at the time the Constitution was drawn up and in spite of a universal desire for close association between the states and the Union, were not yet ready for a merger. Thus, the concept of Union and federation was necessary to meet the situation.
- 8. The powers of both the Union and the state legislatures are enumerated in the Constitution. Each state has its own government, exercising limited powers and responsible to its state council. State public service, public service commissions and state taxes are among the items included in the state legislative list, but, in actual practice, the states are dependent on financial assistance from the Union Government, and a substantial portion of their budgets consists of contributions from the Union Government. Subject to any condition that may be imposed by the Union in respect of its contributions, the state councils have powers to approve their budgets, and these are incorporated in the Union budget in order to enable the Union Government to satisfy itself that its conditions on contributions have been observed.
- 9. The respective states elect members of Parliament to the Union Legislature who are also members of the State Council. The situation may be likened to that in the British House of Commons, where, by convention, only Scottish Members of Parliament compose the Committees which handle Scottish affairs.
- 10. The legislative, judiciary and executive functions in the Union are entrusted respectively to the Parliament, the Supreme Court and the Cabinet. The President of the Union is the titular head of the nation, he wields no real power. Burma has a parliamentary form of government, with a bicameral legislature. The government of the day is formed by the party commanding the majority in the lower house. At present there are two major political parties; a few other political groups are also represented in Parliament.
- ll. The Cabinet is responsible for laying down policy and for initiating legislation. In the implementation of the legislative measures and executive programmes of Government, each Minister, who generally holds more than one portfolio, has under his charge two or more ministries and several functional departments and public corporations, called Boards and Corporations. All secretarial work for the co-ordination of the functions of the various departments (including Boards and Corporations) is carried out by the Ministry concerned. The Minister is assisted by a Permanent Secretary to the Government, who is a member of the class of officials who were taken into the administrative grade after open competition. The Permanent Secretary receives instructions from the political head of his Ministry on matters of policy. He ensures that such instructions are

-150-

carried out chiefly through the functional departments or through the Boards and Corporations. Thus, a Secretary to the Government is, as in the case of India and Pakistan, a co-ordinating officer functioning between the political head and the various technical branches of administration which come under his charge.

- 12. The functional departments, which are invariably larger in size than the ministries, are responsible for implementing governmental programmes that come within their purview. There are seventy-four such departments, most of them with field offices throughout Burma. In addition to the functional departments, there are twenty-five executive boards and five public corporations, over which there is the minimum of departmental control to ensure that these public corporations implement the economic and social programmes with speed and efficiency.
- 13. There has been little change in the present administrative system from what existed prior to independence. Most of the rules and regulations which were framed in the colonial days are still being followed and the "red-tape" that has commonly, but erroneously, been identified with colonial administration still exists with no less intensity in many government offices. As far back as 1949, a committee was formed to review the administrative system and to propose suitable measures to bring about the necessary changes. In its Final Report, submitted in 1951, the Administration Reorganization Committee probed into the then prevalent inefficiency and attributed it, inter alia, to defects in the administrative machinery and to excessive centralization and departmentalism. For various reasons both political and administrative it has not been possible to bring about the necessary changes in the intervening years.
- 14. Under the present organization, the administrative ministry and the head of a technical department are responsible for supervision and control of their subordinate field offices, the latter are located in the districts, are in direct contact with the general public and are directly responsible for putting into effect the Government's administrative programme.
- 15. It is interesting to note the circumstances that led towards excessive centralization. It was caused, first of all, by the deterioration in law and order which occurred soon after Burma became independent, when the Government had to contend with destructive forces. As almost every administrative action was regarded important enough to necessitate decisions at the top level, authority was accordingly centralized in Rangoon. Secondly, the general exodus of foreign civil servants from Burma after independence resulted in a dearth of experienced officers at a time when the country was embarking on ambitious development programmes. The burden of carrying out the new programmes fell on a handful of senior Burmese administrators, most of whom found themselves in top posts. In an attempt to replenish the depleted ranks of the civil service, strict entrance requirements had to be relaxed and many new entrants with mediocre ability and qualifications had to be taken into the service.

Field administration

16. As mentioned previously the primary social and administrative unit in Burma is the village, of which there are more than 50,000, accommodating more than 85 per cent of the population. The villages are grouped together into larger territorial units - village-tracts, townships, sub-divisions, districts and divisions, under the respective charge of village headmen, township officers,

-151-

sub-divisional officers, deputy commissioners and commissioners. To assist in the discharge of the two main functions, namely, the maintenance of law and order and the effective collection of revenue, the district officers were formerly empowered to act only as magistrates and revenue collectors. With the attainment of independence and the decision to head towards a socialist state, however, welfare projects attained very great importance.

- 17. In the districts also are field representatives of the various central departments, such as agriculture, co-operatives, education, forests, health, highways, irrigation, judicial and veterinary. These field representative work under the supervision and control of the head of their respective departments in Fangoon. They are not employed by local government but are answerable only to the central government for their stewardship.
- It. The Deputy Commissioner (known in some countries as the District Officer) is responsible for the welfare of the people in his jurisdiction, and as such he has general supervision of the field representatives of the central departments. Like the Prefect in France, the Deputy Commissioner thus acts as the hub on Which the wheels of administration in each district revolve. In a rather undefined way, Government expects him to guide and co-ordinate the activities of other departments in the district.
- 19. The job of co-ordinating the functions of the field services is not as easy as it would appear to be. The multiplicity of technical services render it difficult for the head of the district to get a thorough grasp of all the problems. This had made it inevitable for departmentalism to exist side by side with territorial administration. When departmentalism and territorial administration cannot be satisfactorily fused in the interests of efficiency, it is only at headquarters in Rangoon that co-ordination is effected.
- 20. The district representatives of the various professional and technical services are thus subjected to dual control one by the Deputy Commissioner, whose duty is to see that the work of the professional and technical departments does not run counter to the efficiency of administration in the district, and the other by the heads of the respective departments in Rangoon, who direct the technical aspect of the work.

Local authorities

- 21. When Burma was ruled by her own kings, the country was administered mainly through local chieftains who wielded considerable authority. The people lived under the rule of the hereditary lords, who dispensed justice, collected revenue for the king's treasury, retaining a portion as their salaries, and, in time of war, provided conscripts for the royal army.
- 22. During the early days of the British administration, attempts were made to maintain some semblance of the Burmese system of local autonomy by appointing Circle Headmen, who had charge of a number of village-tracts and who performed much the same functions as their counterparts under the Burmese kings, the only difference being that they collected revenue for a foreign government instead of for the Burmese Court. This system of indirect rule was found to be unsatisfactory to the colonial government, particularly when some of the Circle Headmen became recalcitrant during the Third Anglo-Burmese War in 1885-1886.

The territorial administration which replaced the former system established a direct line of authority from the Divisional Commissioner down to the Village Headmen, who became the agent of the central government at the village level, and all semblance of local autonomy was effaced.

- 23. The political reawakening of the Burmese in the 1920's compelled the Government to introduce further reforms in local government. The official members and the presidents of local authorities were withdrawn from the local bodies. The Rural Self-Government Act, which was passed in 1921, created district councils of partially elected bodies to be responsible mainly for such matters as vernacular education, public health, sanitation and vaccination, maintenance of dispensaries and veterinary facilities. Taxpayers elected members to the Circle Boards, who, in turn, elected the majority of the members of the District Councils. The other members of the councils were made up of officials and nominated members. The original plan envisaged the disposal of local problems by immediate local bodies, such as Village Committees and Circle Boards. But in point of fact the Circle Boards became electoral colleges for the selection of elective members of the District Council. The District Council was closely watched by the Divisional Commissioner and the Deputy Commissioner. The latter could order the suspension of the Council if in his opinion it was likely "to cause injury or annoyance to the public" or was likely "to lead to a breach of peace". The Divisional Commissioner could direct the Council to perform any function that was not carried out, though required to be discharged by the Act, or which was inefficiently carried out.
- 24. In 1946, the British Government suspended the working of the local authorities because it was considered "impracticable to hold election for the constitution of local authorities". Under the Local Authorities (Suspension) Act of 1946, the Deputy Commissioner was invested with all the rights, privileges, duties, powers and functions vested in or exerciseable by the District Council concerned. In other words, election to the District Council no longer took place, and the Deputy Commissioner assumed the duties and responsibilities, hitherto performed by the District Council, for the welfare of the people in the district. This, after independence, paved the way for the reconstruction of local bodies in consonance with the prevailing conditions in the country. The Constitution of the Union of Burma envisaged the conferment of administrative, cultural and economic matters to regional representative bodies on the basis of "principles of regional autonomy". The result was the passage of the Democratic Local Government Act of 1953, which provided for a multi-level local authority in each district, viz. village councils, urban councils, township councils and district councils.
- 25. One defect of the earlier system was that the local authorities were supposed to manage their own local affairs but could not do so because they were not buttressed with sufficient administrative machinery. The new pattern required the Deputy Commissioner to be relieved of most of his magisterial and revenue duties so that he could be designated the Chief Executive Officer of the Council. He was to be placed in charge of the executive departments of the District Council and was to be responsible for giving effect to its policy. It would also be his duty to see that there were no irregularities in the Council's functions. For the performance of this part of his duty he would received instructions from the Ministry of Democratization, a ministry of the central government.
- 26. In the former system of local self-government there was no real link between the various types of local bodies and between executive departments of the local

authority on the one hand and the field departments of the central government working on the other. Under the revised pattern, the various authorities were to be graded with reference to their powers, and definite lines of authority were to be drawn. Economy and efficiency in the technical services were to be effected by making the district representative of the central government department the head of that technical department in the local government; for instance, the Executive Engineer of the Highways Department would be head of the corresponding local government department. On matters of local policy he was to take instructions from the District Council, and on technical questions he was to be responsible to the head of the department concerned.

- 27. Democratic local government has been introduced as an experiment in ten out of thirty-four districts during the past seven years. Experience has shown that in the existing conditions of the country, the new administrative pattern, though commendable, has not met with the success the framers of the Act had envisaged. Prime Minister U Nu, in a speech in the Chamber of Deputies, attributed the failure to defects in the legislation, to the public servants and to the people as well.
- 28. The Democratic Local Government Act was passed with the object of eliminating the undesirable features that were associated with local administration under the colonial government. In their enthusiasm and eagerness for change, the framers of the legislation had hoped to alter drastically the administrative pattern from the method of direct rule to one which was in consonance with democratic principles. However, the practical difficulties in the application of these principles were not foreseen at that time. All district officers were no longer agents of the central government alone; they were now responsible to the respective local bodies on matters of policy and to the central government for technical guidance and, if necessary, for support when local policy ran counter to the view-point of the technical departments. Thus the Democratic Local Government Act imposed dual control on the field officers of the functional departments of the central government and on the Deputy Commissioners and their assistants. This divided control was bound to raise administrative problems which could not be easily solved.
- 29. The new administrative pattern established by the Act was something with which the public servants were not familiar. Experience has shown that political maturity on the part of the people is one of the factors that also contributes to the ultimate success or failure of such a system. In Burma, as in many developing countries, there is a general indifference on the part of the voting public towards administrative reforms of local government. In such a situation, the practice of elected members having control over policy as well as administrative matters of the Council has very little to commend it. The real problem, therefore, is how to harmonize administrative efficiency with democratic responsibility.
- 30. All local bodies established under the Democratic Local Government Act have been suspended temporarily. An advisory committee headed by a former President of the Union is conducting extensive inquiries in consultation with the relevant organizations with a view to making recommendations to remedy the defects.

-154-

Central-local relations

- 31. Before the legislation of the Local Authorities (Suspension) Act of 1946 and the Democratic Local Government Act of 1953, local government was, as has been noted, restricted to bodies consisting wholly or partly of local non-officials and charged with attending to the promotion of local amenities. These local councils were not equipped with efficient administrative machinery and were left to hire personnel from their meagre funds. These employees were responsible to the council, but the members of the council possessed no special qualifications for effective supervision. The agents of the central government made their authority felt only when there was mismanagement in the affairs of the council. On such occasions unpleasant steps had to be taken against the council concerned. Where such strained relationships did not arise, the functions of the councils were carried out but without any marked degree of efficiency.
- 32. The new pattern, under the Democratic Local Government Act, attempted to remedy these defects in the administration of local government. The Deputy Commissioner of the district became the Chief Executive Officer of the District Council, in addition to his normal responsibilities relating to central government matters which do not come within the purview of the council. To promote better efficiency in the various departments of the District Council's activities, the district representative of the department of the central government was put in charge of the relevant department. He also exercised general supervision over his department in the subordinate Township Council; it was the duty of his subordinate to take charge of the relevant department at that level. In addition, the District Council was responsible for ensuring supervision over the council subordinate to it. It was felt that, in this way, the link between the central government and local authorities would be strengthened. Unfortunately, the demarcation of functions between the central government and local government was not based upon practical aspects of administration, such as convenience, performance ability, recognition of need and the nature of the policies and programmes of the central government. In the discharge of their functions, the departmental representative of the central government was expected to assume dual responsibility both to the centre and to the local unit. In addition, the role of the Chief Executive Officer vis-à-vis the elected councillors raised problems which were difficult to solve, as it was not easy to say definitely how far a managerial system of local government, in which only the administrative and managerial authority should be placed in the Chief Executive Officer's hands, could be acceptable in young democratic countries where political talent is very much limited and where there is a strong tendency for politicians to play an active role in every aspect of administration.
- 33. Burma's experience in attempting to decentralize government activities can serve to point up certain general problems which all newly independent countries have to face.
- 34. The fact that there is a universal need for decentralizing government activities, whether in the form of deconcentration to administrative field units or devolution to statutory local bodies, has never been disputed. It is therefore paradoxical, that, despite this imperative need, the trend of the present-day organization of government in most democratic countries is more and more towards centralization. It would seem, therefore, that the first essential step, before embarking on any practicable reform towards decentralization of services, is to

-155-

examine in more detail the circumstances underlying this tendency in the newly independent countries towards excessive centralization and to appraise the impact of this trend on the machinery of government. It is a commonplace observation that the developing countries have become enmeshed in the revolution of rising expectations. More is being expected than would have been with normal growth Infused with a sense of mission, the new political leaders are too enthusiastic and desire to see their visions of their countries rapidly transformed into reality. In their enthusiasm, coupled with their lack of faith in the civil servant in the execution of their programmes, the tendency of these politicians to meddle in every facet of administration has gone unchecked. Too much emphasis has been laid on the principle of ministerial responsibility, which, in practice, has meant political interference in the administration.

- 35. In any large organization there should exist, as far as is practicable, a well-defined division of authority, responsibility and functions. Failure to recognize this, coupled with various other factors, has led to the creation of a large number of ministerial departments and other agencies, including central statutory bodies, and has resulted in duplication and overlapping of functions. In Burma, for instance, the responsibility for water-supply schemes for rural areas is simultaneously assumed by four central government agencies. The result is confusion and chaos in the administration. Many administrative functions previously performed with some efficiency by the local bodies have, with the attainment of independence, been transferred to the jurisdiction of the central government. Since the major concern of the State is now with development, there is some justification for centralizing these functions. But in the newly created organizations, which are often over-staffed, there is a lack of understanding of the part which should be played by every member of the staff, and this leads to a tendency towards "passing the buck". Proper devolution, which is so necessary for the efficient discharge of work, has been rendered impossible. What is worse, there has seldom been a recognition of the essential need for drawing lines of demarcation between larger policy issues and day-to-day administration. It must, however, be admitted that it will be very difficult to draw a hard and fast line of demarcation between those matters which should be referred to the political heads for decision and those which need not.
- 36. On the other hand, attempts in that direction have been made by some countries in the form of legal enactments or executive directives. Pakistan, for instance, has enacted a comprehensive legal document, known as the Rules of Executive Business, which defines in some detail the allocation of functions between the Cabinet, the ministers and the permanent heads. The Government of Thailand, in a recent directive, decided that the Cabinet should be concerned only with major policy matters and legislative bills for presentation to the Parliament. Creation of a new government department requires, in some countries, the approval of the Parliament; in others, the matter is left entirely to the discretion of the Head of the Executive. The problem is a delicate one, but it appears likely that, since lack of delegation of authority usually starts from the top, any attempts towards remedying this state of affairs must necessarily commence from the top. A review of the existing structure of central government and an examination of the relevant constitutional and legislative enactments should be regarded as the first essential steps if there is to be any serious attempts to decentralize government functions.
- 37. In regard to local government, some countries have even gone so far as to define in their Constitutions, at least in a broad sense, the sphere of local

-156-

government. Burma's national Constitution, for instance, envisages the conferment of administrative, cultural and economic matters to regional representative bodies on the basis of "principles of regional autonomy". In conformity with these objectives, Burma embarked, as has been described earlier, on an ambitious scheme known as the Democratization of Local Administration, which, unfortunately, has been suspended after a few years' experimentation in some selected areas.

- 38. The first and foremost difficulty is the inability to define clearly and precisely the sphere of local government on the one hand, and that of the central government on the other. The original Democratization plan attempts to draw a distinction between central services and local services: it is deemed that central services shall in general comprise those in which efficiency requires national uniformity rather than public co-operation, whereas in local services, active public co-operation is essential for any high standard of efficiency. The functions of a local body are to ascertain local wants, to frame a policy for meeting them, to provide the requisite funds and to supervise the machinery for giving effect to its policy.
- 59. It may, however, be contended that this demarcation of functions between central and local government is philosophical and doctrinaire. The allocation must be a practical one based upon ability to perform, convenience, recognition of need and the nature of the policies and programmes of the national government. In other words, the task of defining the sphere of local government must be a continuing one, for as new functions are undertaken, old functions are discontinued; as administrative processes and procedures change, alterations must be made in the functional allocation. In particular, the assertion that the main function of local government is general promotion of social welfare in such matters as require co-operation by the people for efficiency is untenable for the simple reason that there will obviously be very few matters falling within the range of governmental purview that do not require co-operation of the people for efficient performance. The failure of the democratization scheme in Burma may be partly ascribed to the inability to find workable criteria for distinguishing between central and local functions.
- 40. The inevitable result of all this is that in most developing countries, while elected representatives are responsible to those who elected them, they are also held responsible to the central government for the performance of central government services. Under the comprehensive local government and partnership systems, locally elected councils become an extension of the central government administrative system. Whether such an extension is desirable or necessary in developing countries, or, to be more specific, whether an elected body is a satisfactory device for giving effect to the policy of a superior authority is a matter which merits closer study.
- 41. Integration of central government administration with that of local government at the lower level leads to another important problem. The framers of the democratization plan in Burma were of the opinion, as has been previously mentioned, that local council officials should work under the supervision of central government officials in the corresponding departments. They suggested that the most convenient method of applying this principle would be for the government departmental official to be the head of the corresponding department in the local council. The local council would decide what needed to be done, but the responsibility for the professional aspect of the work, for doing it as efficiently as possible within the financial limits prescribed by the Council,

-157-

would rest on the central government official rather than on the local council. In other words, these central departmental officials, while attached to the local councils, would be responsible to their departmental superiors at the headquarters of Government for the professional and technical aspects of their work in the districts.

- 42. The role of these field technical personnel of central government is thus very anomalous. In the discharge of their functions they cannot be expected to assume dual responsibility both to the centre and the local unit. If they are made the servants of the local authorities, it will certainly be beyond the means of the local council to place them on its pay-roll.
- 43. Closely linked with this problem is the role of generalist field administrators. In many emerging countries particularly those which were previously associated with British rule, there exists an élite of career district officers commonly known as the General Administrative class. The concept of general administrative officers with broad experience, selected from the best products of the universities and acting as agents of central government in the districts as well as supervisors of the work of local government, is still regarded as a valuable contribution of the development programmes in spite of the ever-increasing technical trends. But instead of the former regulatory functions, such as maintenance of law and order, collection of taxes and administration of justice, they are now expected to assume new development functions. As one authority has stated: 1/

"It is very desirable that general administrators should continue to serve in the field in a country like Burma, where you are seeking to promote an ambitious programme of social and economic development, provided that the appointment of generalists of high calibre at both the regional and district levels is used to facilitate delegating as much power as possible from the centre. If this is not done, congestion at the centre is almost certain to occur with delay and frustration in the regions and local areas as a consequence."

- 44. The question has arisen, however, as to the extent to which an administrative generalist can or should co-ordinate all the technical and professional departmental representatives functioning in his district. Besides his role as a co-ordinator of the central government activities at the local level, the extent to which he should exercise his supervisory function over the legally elected representative local bodies deserves careful study.
- 45. In any study of the machinery of local government, the controversial problem of the role of the chief executive officer always assumes paramount importance. To what extent should he exercise the executive and administrative authority? In regulating the general affairs of the district, what is his role vis-à-vis the elected councillors? One school of thought favours the fixing of legislative and policy authority in the council and the fixing of administrative and managerial authority, and all that is implied thereby, in a chief executive officer responsible to the council. According to this school of thought, the concept of adequately empowered managerial authority responsible to a policy-deciding body,

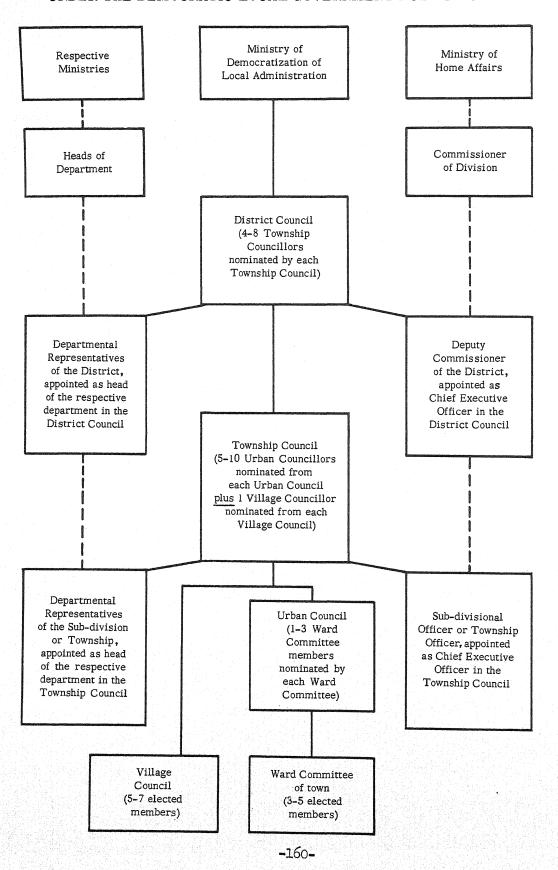
-158-

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^{1/} Professor William A. Robson, London School of Economics and Political Science.

not for administrative procedures and details but for programme results, is the greatest single contribution to the field of administration that has emerged in the past century. Is this managerial system of local government acceptable in young democratic countries where political talent is very much limited and there is a strong tendency for the politicians to have a hand in every aspect of administration? At the village level, where it is not possible to employ any permanent administrative staff other than perhaps the village clerk, members of the councils must be expected to direct the administrative activities of their respective bodies. At higher levels, it seems, the concept of having council members direct administrative activities has little to recommend it. On the other hand, if the elected representatives of the council are concerned only with the major policy matters and nothing more it would reduce democratic control to a minimum, and the co-operation of the public in various welfare activities, which is the main purpose of decentralization, would not be forthcoming.

LEVELS OF FIELD ADMINISTRATION AND OF LOCAL AUTHORITIES UNDER THE DEMOCRATIC LOCAL GOVERNMENT ACT OF BURMA



SECTION C. FRANCE

Decentralization and deconcentration in France*

Basic data

- l. France has an area of 551,000 square kilometres and a population, in 1960, of a little over 45 million, very unevenly distributed by departments (départements), the most densely populated being the Seine, with 5,132,000 inhabitants, and the least populated the Lozère, with only 83,000 inhabitants. The urban population totals 26 million, and the rural population about 19 million. The density of population for the entire country is 82 inhabitants per square kilometre.
- 2. The gainfully employed population is estimated at over 19 million, of whom about 4.5 million are engaged in agriculture, nearly 8 million in industry and 6.5 million in trade. The number of illiterates is insignificant about 2.5 per cent.

Structure of government

- 3. The French Republic is a State with a parliamentary system, which recognizes the existence of a large number of political parties and the administration of which retains the unitary structure established by Napoleon I. Formerly, under the Empire, the administrative structure was based on the Emperor and, by delegation of his authority, on the Préfets in each department. Since 1800, the Municipal Council in each commune and the General Council in each department, both elected by universal suffrage, have gradually acquired administrative powers. These were conferred upon them either by the transfer of some of the functions of the Préfet or directly by delegation of the Central Government's powers, i.e. by a minister.
- 4. In addition to the Prime Minister, the Government consists of specialized ministries (finance, justice, foreign affairs, etc.) and state secretariats. The Préfet is the Government's representative at the department level.

Administrative divisions

5. The traditional administrative divisions of France are, in declining order of importance, the <u>département</u> (ninety at the present time), the <u>arrondissement</u> and the commune; the canton is merely an electoral district. New administrative divisions have been superimposed on the old ones and consist of groups of

Note: The author uses the term "decentralization" in its traditional French meaning to refer only to devolution of powers to local government and autonomous bodies rather than as elsewhere in this document to comprehend also "deconcentration" of authority to field units.

-161- /...

^{*} Prepared for the Working Group of Decentralization by Roger Bonnaud-Delamare, Préfet Co-ordonnateur, Région de Franche-Comté, Besançon.

- departments: these are the nine <u>Igamies</u> (<u>Inspection Générale de l'Administration en Mission Extraordinaire</u>), established in <u>1948</u> for the maintenance of public order within the Military Regions, and the Programme Regions, consisting of twenty-one groups of departments set up by a decree of 2 June 1960 to promote the economic development of the country.
- 6. In view of the growing importance of problems relating to economic expansion and the development of the national territory, the impossibility of solving all local problems satisfactorily from Paris and the narrowness of the departmental framework, the Government has undertaken a further study of the problem of decentralization from an economic point of view. It was for this purpose that the Programme Regions were set up.
- 7. The Programme Regions are administered by the Inter-departmental Conference, which consists of the Préfets of the departments comprising the division in question, with the participation of a General Inspector of the Economy, and is presided over by one Préfet, appointed by decree and known as the Co-ordinating Préfet. A Regional Economic Expansion Committee, consisting of the federation of Economic Expansion Committees of the departments and including representatives of agriculture, trade, industry, handicrafts and the trade unions, as well as persons concerned with economic expansion problems, collaborates with the Inter-departmental Conference. The two bodies co-operate in the preparation of a regional plan for the economic development and improvement of each region, and this plan is submitted for approval to the General Commissariat of Planning. These regional plans must take the National Plan into account to ensure the co-ordination of the Government's economic policy, both at the national and regional level.
- 8. The Inter-departmental Conference and the Regional Economic Expansion Committee are also responsible for keeping the Regional Plan up to date by incorporating the adjustments rendered necessary because of the time lapse between its preparation and its implentation. In view of the increasing importance of expansion problems, these new bodies, consisting of government representatives, on the one hand, and representatives of regional interests, on the other, will probably have a fundamental part to play in the near future.

Local authorities

- 9. The general local administrative structure in France has remained unchanged since its creation by Napoleon I. It is based on the juxtaposition, at each level, of an assembly, a deliberative body and an executive official. The two types of decentralized local communities are the commune and the department, both of which have legal status, i.e., they have assets, obligations and rights and may go to law.
- 10. The commune or municipality is essentially a decentralized community. The Municipal Council is elected by universal suffrage, and the mayor is elected by the Municipal Council. However, in certain cases, the mayor and the Municipal Council have received powers from the Central Government, in which case the mayor may, in certain circumstances, become the agent of deconcentrated power (civil register, police, etc.).
- 11. The department, created by the division of the country into administrative units at the beginning of the French Revolution, has an elected assembly and a

-162-

president appointed by this assembly. The department may thus appear to be a wholly decentralized community. However, all its functions were delegated to it initially by the Central Government, which confers powers upon the General Council or its president. As such, the General Council also functions as an organ of deconcentration. Moreover, the <u>Prefet</u>, an official appointed by the Government, prepares and carried out the decisions of the assembly, of which he is the executive officer, as well as the representative of the deconcentrated State in the department. Thus, the General Council is not a fully decentralized assembly like the Municipal Council.

- 12. The Préfet is primarily an agent of the State, who represents the Government in the department. His status should be understood in a broad sense, i.e., as conferring upon him certain political functions (he informs the Government and carries out its decisions) and administrative functions (he supervises the implementation of measures adopted by the Central Government, represents the State in his department, makes certain appointments and supervises the decentralized authorities); in exceptional cases, he even has judicial functions (he can undertake searches and carry out seizures and arrests under certain conditions laid down in article 30 of the Code of Criminal Procedure). Yet it is not only because of the scope of his functions that the Préfet is a deconcentrated authority but also because of the extent of his powers in the exercise of his functions. For instance, he possesses very wide powers of decision; moreover, he has been given some statutory powers enabling him to issue general regulations in the form of orders (arrêtés) and also to take action in specific cases.
- 13. The public services established by the communes and departments may be compulsory, as in the case of welfare services for the department or police services for the commune, or they may be optional. Local authorities may, in practice, establish services to meet local needs, except in certain fields which are not regarded by law as public, but as private. It should also be noted that the increasing importance of economic questions has led to a marked development of jurisprudence; originally, intervention by local authorities in the economic field was regarded as illegal, but the restrictions have been relaxed so considerably by the Conseil d'Etat that the limitation of their activities has become almost fictitious.
- 14. In the quasi-public services, a group of persons with common interests is self-administered, as is the case, for instance, on the advisory chamber elected by tradesmen, farmers or craftsmen to look after the interests of the group concerned.
- 15. With regard to the capacity of local communities to establish public services under certain conditions, it is necessary to clarify a fundamental concept of French administrative law, that of the public institution. Such institutions, like local communities, have their own assets, a legal status and a special field, viz. the administration of a public service; supervision is exercised over the operation of the decentralized institution by the authorities of the community to which it is attached. This procedure has long been adopted both by the public services of the State (national institutions) and in respect of the services of the departments and communes (local institutions). Decentralization is also achieved as a result of the measure of autonomy accorded to the institution by virtue of its legal status.
- 16. Generally speaking, deconcentration by services has a definite technical advantage in that the service in question can be administered by the technical

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staff themselves. On the other hand, this form of deconcentration sometimes entails a waste of public money.

17. The policy aimed at regional development has given a marked stimulus to new forms of deconcentration. For example, Mixed Economy Companies have been set up, based on the principle of participation by the State and local public authorities in private undertakings, with a view to constructing the necessary infrastructure on which regional activities are directly dependent. The Mixed Economy Company lies somewhere between the traditional concept of the public institution and the new forms of economic deconcentration.

Central - local relations

- 18. Local authorities are not competent to fix the scope of the fields in which they can take action. However, there is no exhaustive list of the matters in which departments and communes may intervene. Both the Act of 10 August 1871, on General Councils, and that of 5 April 1884, on Communes, merely described departmental and communal affairs in general terms. This does not, however, mean that local bodies possess complete freedom of action, since they may intervene only in matters of a public nature, namely, matters not reserved for private initiative, and of a local nature, namely, matters not reserved for the State itself. Decentralization is being weakened as a result of the rapid and more extensive development of national public services, or the nationalization of undertakings which could formerly have been operated by local bodies.
- 19. Furthermore, the financial regulations with which local bodies have to comply severely limit decentralization. For instance, stricter supervision is exercised over financial matters than over other matters. Indeed, as local receipts are relatively small, the State has to assist local bodies by means of grants-in-aid and this reduces their autonomy considerably. Moreover, certain items of expenditure are compulsory by law and are automatically included in the budget of the commune or department, which must always be balanced.
- 20. The central authorities or their representative always possess certain disciplinary powers over local authorities, as reflected in the right to suspend or dismiss their elected members and officers and to dissolve their assemblies. They also have control over the decisions of local authorities. This control is called administrative supervision or administrative control. For example, under the power of prior approval, a decision taken by a local authority comes into force only after approval by the control authority. The powers to suspend, annul and amend decisions depend, respectively, on the competence of the control authority to defer the entry into force of the subordinate's decision, to cancel it or to amend its provisions. Under the power of substitution, the control authority may act in place of the authority it controls.
- 21. These various types of control are exercised under the French administrative system by means of administrative instruments. The controlled authority enjoys a means of defence against unjustified control by the higher authority, namely, recourse to the Administrative Tribunals for action ultra vires, and, in the second instance, to the Conseil d'Etat for the annulment of an illegal act of control. Supervision under French administrative law thus differs from English administrative law, which provides for judicial supervision. Nevertheless, supervision exists only to the extent within the limits laid down by law.

-164- /...

SECTION D. INDIA

Pattern of decentralization in India*

Basic data

1. The Union of India has an area of 1,297,624 square miles and a population, according to the 1961 census, of 436.4 million. Of these, 358.6 million people live in about 500,000 villages scattered all over the country, and 77.8 million live in urban areas. Of the total population, 23.7 per cent is literate.

Structure of government

- 2. India is governed under the Constitution which was promulgated in 1950. The Government is a federation of fifteen states; there are, in addition, eight federally administered areas with a total population of about 6 million.
- 3. At the head of the Federal Government is the President, who acts on the advice of a Council of Ministers responsible to Parliament. The Parliament is bicameral, consisting of the House of Representatives, which is elected directly on the basis of adult franchise, and the Council of States, whose members are elected by the state legislatures, except for twelve members who are nominated by the President for their special knowledge and experience in literature, the sciences, the arts and social service.
- 4. Each state has a Governor, who is appointed by the President but who acts on the advice of his Council of Ministers, which, in turn, is responsible to the State Legislature. In ten out of the fifteen states, the Legislature is bicameral. The Lower Houses in all states are elected on the basis of adult franchise. The Upper House, where it exists, is elected through special electoral colleges, one-third of the members being elected by members of local authorities.
- 5. There are a number of political parties in the country, but the Indian National Congress is the dominant party. In the two general elections which have been held, in 1952 and 1957, since the country achieved Independence, the Congress Farty emerged successful with effective majorities. At present, in the Central Government and in all the states, except one, the ministries are Congress ministries. In the remaining state there is a Coalition Ministry, but the Congress is the major partner.

Administrative divisions

6. For administrative purposes, every state is divided into a number of districts which are the chief administrative units below the State Government level. In some states, the districts are grouped into a number of divisions for purposes

-165-

^{*} Prepared for the Working Group on Decentralization by P.V.R. Rao, Additional Secretary, Ministry of Community Development and Co-operation, New Delhi.

of supervision and co-ordination. The District is usually divided into sub-divisions and the Sub-Division into tehsils and blocks. The block is a recent creation. It came into existence, as the unit of administration for community development purposes, with the introduction of the community development movement and has now been finally recognized as the unit of planning and development. The whole country is demarcated into about 5,200 blocks. At present, 3,600 blocks are in operation, covering about 65 per cent of the population; the remaining blocks are scheduled to come into operation under a phased programme by the end of 1963.

Field administration

7. Technical and administrative services develop their field administrative units broadly according to the divisions mentioned above. The exact arrangement in any technical service is, however, dependent on the amount and intensity of work. Thus, a technical service need not necessarily have field units at every one of the levels mentioned above; and a technical service dealing with a special project may have its field units functioning across these administrative divisions.

Local government

8. "Local Government" is not a Federal subject; it is regulated by legislation of the state governments. Since 1959 the whole structure of local government in the country has been in the process of a radical overhaul. The Congress party has accepted democratic decentralization, or panchayati raj, in principle. The Third Five-Year Plan, recently adopted by the country, describes the policy as "the development of a set of inter-connected democratic and popular institutions at the village, block and district levels, in which the representatives of the people in the village panchayats, panchayat samitis, and zila parishads 1/ and of the Co-operative organizations function with the support and assistance of the various development agencies of Government working together as a team". The policy is in the process of implementation. Eight state governments have already passed necessary legislation and four governments are in the process of doing so. There are considerable variations in detail from one state government to another but the broad pattern is indicated below.

Local authorities

9. The local authority nearest to the people is the village council (village panchayat), a statutory body embracing one or more villages, with an average population of about 1,500 and an average area of about six square miles. As some of the villages are large, however, there are panchayats with a population of as much as 10,000 or more. The next higher authority in the hierarchy of local authorities is the block council (panchayat samiti), of which there is one for

Village panchayat = village council; panchayat samiti = block council;
zila parishad = district council.

every block. Each district has a district council (zila parishad). The size of a district varies considerably. On the average, there are about seventeen blocks in a district, but in the hilly tribal areas, the number of blocks and the population per district are much smaller.

- 10. The members of the village panchayat are elected by the entire adult population of the village; generally by secret ballot. On the average, there are fifteen members in a panchayat, though in highly populous areas there may be as many as thirty. Special reservation of seats is usually provided for women and backward classes. At the head of the panchayat is the Chairman (sarpanch), who is either elected by the members of the panchayat, or, in some cases, directly by the whole adult population of the village.
- 11. The block council generally comprises the chairmen of all the <u>panchayats</u> in a block and such others to whom special representation may be given, e.g. backward classes, co-operative societies, local members of the State Legislature and persons experienced in special fields. In some states the members of the block council are directly elected. The Chairman (<u>pradhan</u>) of the block council is elected by all its members from amongst themselves.
- 12. The district council is composed of the chairmen of all block councils in a district; the Government representative in the District, i.e. the District Collector (and sometimes, other District officers of the State Government); local members of the State Legislature and of the National Parliament; and a few persons representing special interests or experiences. The President of the district council is elected by the members from amongst themselves, though in some states the District Collector is the ex officio President of the district council.
- 13. All the three bodies have a number of committees, which deal with a designated block of work, subject to the over-all control, of the main body. There are provisions for special representation of experienced workers on such committees, e.g. progressive farmers, members of co-operative societies and social workers.
- 14. Functions. The local authorities are conceived as planning and implementation agencies for development programmes within their jurisdiction. The functions allotted at any level of local authority are based on this conception and on the over-all needs of the National Plan. The village panchayat is responsible for all programmes that are best planned and implemented at the village level. It also acts as an agent for the block council in respect of programmes of the latter that are to be worked within the jurisdiction of the panchayat. The block council performs similar functions at its level. The district council is generally a co-ordinating, supervisory and advisory body with no executive functions. The gravitational centre of local Government below the State Government tends to be the block council in these arrangements.
- 15. Finances. The finances of local authorities are derived from:
 - (a) Share of land tax distributed by the State Government which may be specific, ad hoc or a combination of both;
 - (b) Funds relating to schemes transferred to the local authority by the State Government or higher local authority;

-167- /...

- (c) Specific, ad hoc or matching grants given by the State Government or higher local authority;
- (d) Taxes imposed by the local authority or by the State Government on behalf of the local authority, e.g. house tax, tax on markets, vehicles and transfer of property;
- (e) Income from property vested in the local authority and/or developed by it.

Funds from (b) and (c) provide the major portion of the funds of the local authority.

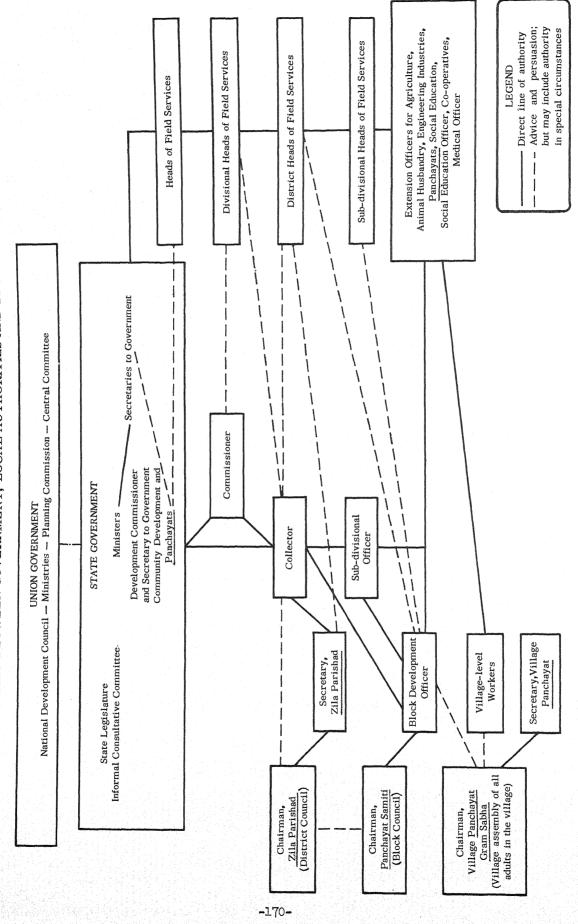
- 16. Staff. The Chairman of the village panchayat may be assisted by a full or part-time Secretary. The Chairman of the block council is assisted by a Chief Administrative Officer, known as the Block Development Officer. The President of the district council, when he is an elected head, is assisted by a Secretary, who is a career appointee.
- 17. The staff employed falls broadly into four categories:
 - (1) Staff appointed by the local authority itself and entirely subject to its control in all respects (such posts are comparatively few). The salaries and conditions of service are generally regulated by prescribed rules;
 - (2) A joint cadre for a number of adjacent local authorities, with recruitment and discipline vested in a special agency constituted for the purpose and on which the local authorities may be represented. Posts below the Block Development Officer are generally in this category, though a large number of posts in technical services remain outside;
 - (3) State Government employees transferred on loan to the local authority. The local authority has immediate administrative control over the staff, but technical control, as well as major disciplinary action, vests with the higher authorities under the State Government.
 - (4) State Government employees who work for both their parent field services and the local authorities.
- 18. The Block Development Officer generally belongs to category (3) above. The extension officers working under the Block Development Officer may belong to category (3) or category (2). Officers of District level usually belong to category (4). Many of the officers in category (3) are often required to discharge a certain number of functions for the State Government field administration units.
- 19. Co-ordination. Arrangements to secure co-ordination at various levels is through committees and the position of key officers. At the block level, co-ordination is ensured through the block council and the Block Development Officer, at the district level by the President of the district council and by the Collector. At the State level, there is the Development Commissioner and the State

Development Committee presided over by the Chief Minister. At the Federal level, co-ordination in planning and implementation is secured through various organizations: the Planning Commission, which is the special authority set up for over-all planning for the whole country; the National Development Council, which is presided over by the Prime Minister and is composed of the Federal Ministers, members of the Planning Commission and Chief Ministers of State Governments; and a Central Committee, which is presided over by the Prime Minister and has as its members Federal Ministers, members of the Planning Commission and the Minister holding the portfolio of panchayati raj.

- 20. Control. The most effective means of control is secured by the continuous association of State Government officials with the local authorities in the various process of planning and implementation. The village plans and schemes and the budget of the village panchayat are scrutinized at the block level. The Block plans, which are formulated on the basis of the village plans so approved, are, in turn, subject to similar scrutiny by the district council and are co-ordinated into the District plans. The District plans are scrutinized, approved and incorporated into State Plans. State Government servants at higher levels in the field administration units advise and technically supervise the work of officers at lower levels, whether the latter are employees of a local authority or of the State Government. The inspection reports prepared by such officers come up for consideration at the meetings of the appropriate local authority. In addition, there is an independent audit. Lastly, the State Government and its District representative, the Collector, retain certain emergency powers which extend, in an extreme case, to the supersession of the local authority.
- 21. The Federal Ministry of Community Development, in co-operation with the State governments, also has an extensive training programme, both for the elected officials in the various local authorities and for career appointees. The programme of training at higher levels is fairly well established; training schemes for the elected members of village and block councils are gradually being developed.
- 22. Decentralization. Decentralization is being effected in two ways: through legislation and statutory rules and through delegation of powers by the State Governments and/or higher local authorities. The panchayati raj regulations and rules issued thereunder by the State give a detailed description of powers and responsibilities transferred to the various institutions. Provision also exists for further delegation of powers and responsibilities. There is similar delegation of powers to field administration units at various levels. The details of such deconcentration vary widely.
- 23. The system in India resembles closely the comprehensive local government system defined in the report, with the democratically elected bodies having full authority to take decisions within the framework of the statute.

-169- /...

RELATIONSHIP BETWEEN GOVERNMENT, LOCAL AUTHORITIES AND FIELD AGENCIES IN INDIA



SECTION E. POLAND

Principles of administrative organization in Poland and the decentralization measures adopted*

Basic data

- 1. The total area of Poland is 312,520 square kilometres. The country is divided administratively into three tiers. The highest administrative tier is the voivodship, which roughly corresponds to a region, or a French département. There are twenty-two voivodships, including five towns with voivodship states Warsaw, Lodz, Posnan, Wroclaw and Cracow. The second tier is the district or sub-region (powiat), corresponding roughly to the French sous-préfecture. There are 396 districts, including 74 towns which constitute districts and 322 regional districts. At the third level there is a very clear division into towns, urban communes and rural communes, with 744 towns, 150 urban communes and 6,440 rural communes.
- 2. The total population of the country at the general census of 6 December 1960 was 29,731,000, of which 48.5 per cent inhabited the towns and 51.5 per cent the rural areas. The break-down of the population by occupation in 1960 revealed that 38.2 per cent was engaged in agriculture and 61.8 per cent was engaged in non-agricultural occupations. Even after taking into consideration the large number of town dwellers who are still engaged in agriculture, these figures show that a relatively high proportion of the rural population is engaged in non-agricultural occupations, a new phenomenon in Poland compared with the pre-war period.
- 3. The following figures show the break-down of the urban population in 1959 by the size of towns:

Towns with a Population of:	Percentage of Total Population	Percentage of Urban Population
		Or posit Tobotton
5,000	4.1	8.8
5,000-10,000	5.5	11.7
10,000-20,000	6.1	12.8
20,000-50,000	7.1	15.0
50,000-100,000	4.1	8.5
100,000-200,000	6° . 3°;	13.4
Over 200,000	14.1	29.8

^{*} Prepared for the Working Group on Decentralization by Juliusz Gorynski, Under-Secretary of State, Ministerstwo Gospodarki Komunalnoj, Warsaw.

The percentage of the urban population has been growing steadily since the war, the increase being most marked in towns of over 100,000 inhabitants.

- 4. Poland has a relatively dense network of roads and railway lines. The total length of railway lines is 27,017 km., or a density of 8.7 km. per 100 sq. km. The road network has a density of 93.6 km. per 100 sq. km., but only a third of the roads have a high-grade surface.
- 5. Before the Second World War, Poland was predominantly an agricultural country. Raw materials were the main industrial product and the main industrial export the total export figure not being very high. After the recovery from the heavy destruction caused by the war in all areas of the economy and of national life, the process of industrialization went rapidly ahead in Poland within the framework of the Socialist planned economy, with large-scale urban development and basic changes in the structure of the rural regions.

Structure of government

- 6. In Poland, the powers of the State are based on the principles of the people's democracy. The Diet (or Parliament) is the supreme legislative authority. It consists of the representatives of three parties the Polish United Workers' Party, the United Peasants' Party and the Democratic Party of some smaller political groups and of representatives not attached to any groups. The Central Government is the Executive. At the lower levels of the administration, government is based on the principle of unity between the local and Central authorities; thus the basic functions of State administration are discharged by the organs of local government.
- 7. As a result of the nationalization of the bulk of industrial production, the administration of industry has become one of the most important functions of the Central Government. The key sectors of industry are centrally administered by the ministries concerned and by their agencies. Sectors of industry of local importance are, however, administered by local authorities, and the number and size of undertakings by local authorities are steadily rising. Certain technical services are also centrally administered through special agencies.

Regional agencies

- 8. The key industries and a whole series of other services of national importance which are administered by the ministries concerned and in which the local authorities play no part, include, chiefly, the raw materials industry; heavy industry; the other sectors of industry carried on by large undertakings, particularly those whose production is designed to cover the needs of the country as a whole and of the export trade; power, at the national level; posts, telephones and telegraphs and transport (railways, shipping and aviation); higher educational establishments; and various less important sectors.
- 9. In order to supervise these sectors, the competent ministries organize their own agencies for each branch of activity, usually within the industry itself, where the agencies take the form of unions whose members possess the appropriate technical qualifications. Some agencies, however, are organized on a regional

- basis (e.g. for transport, posts, telegraphs and telephones) or for the various voivodships. Some establishments are administered directly by the ministries (e.g. universities and maritime ports).
- 10. This structure is not rigid, however. There is a growing tendency to transfer other functions to local authorities, and it may be noted that in recent years the number of sectors administered directly by the central agencies has systematically decreased.
- ll. The local authorities are also beginning to play a more and more effective co-ordinating role in relation to the organs subordinate to the central administration functioning in their territory. For this purpose, the local authorities enjoy certain rights vested in them by law.

The local authorities

- 12. The People's Councils which are elected by the population of a given region, represent the legislative power at the regional and local level. The Presidium of each People's Council is its executive organ and hence the executive organ of the local authority. This structure is uniform at all levels of the voivodship, the district, the town and the rural commune.
- 13. The officers of the People's Council are the chairman, his deputies and the secretary, who are elected by the People's Council for each legislative term. They direct the services and the organizational units subordinate to the Presidium. These units are purely technical and are headed and staffed by persons appointed or employed on the basis of labour contracts.
- 14. In addition to its local legislative functions exercised in plenary session (e.g. approval of budgets and economic plans for the voivodship, district or town), the People's Council systematically supervises the work of the Presidium. For this purpose it establishes a number of commissions dealing with the various problems connected with education, construction and housing. These commissions are standing bodies which supervise the activities of the services, put forward proposals and submit reports at plenary meetings.
- 15. The Presidium comprises four types of organizational units:
 - (a) the Planning Commission for the <u>voivodship</u>, district or town in charge of the economic planning of the territory in question under the general State plan, the economic plan and the current co-ordination of economic activity. One of the deputy chairmen of the Presidium is generally appointed chairman of the Commission;
 - (b) the various sections dealing with technical and managerial problems (trade, industry, construction, architecture, local administration, education, health, etc.). The number of these sections and of the functions they discharge is steadily increasing clearly as a result of the decentralization referred to in paragraph 10;

- (c) the organs which directly administer the activity of the undertakings subordinate to the Presidium. These are the unions affiliated with construction, commercial and industrial undertakings, large State farms, etc.;
- (d) various bodies of a different type with specifically local functions (e.g. local committees for sport or tourism), scientific institutes, cultural centres of particular importance, etc. In some instances the Presidium has also set up scientific and technical councils as professional advisory bodies.
- 16. It will be seen that the activities of the local authorities under the Polish political system cover a very vast field and one which is considerably larger than that of the traditional local authority. This is primarily due to the fact that the State authorities not only administer but also immediately direct economic activity in all sectors of production and of the various services. Such a vast field of activity can be properly controlled only where the decentralization of administrative powers has reached an advanced stage, the principle of central planning being, however, observed. It is mainly the inadequate size of administrative staff at the lower levels which is retarding the process of decentralization. The trend towards decentralization can, however, be expanded as more trained staff becomes available.

SECTION F. SENEGAL

Decentralization structures for development in Senegal*

Basic data

- 1. Senegal has an area of 212,000 square kilometres 1/ and a population of about 3,000,000 (1960). The average density of population is 14 persons per square kilometre. The urban population constitutes 20 per cent of the total; there are nine towns with over 10,000 inhabitants. Almost all the rural people live in 12,890 villages and tribal settlements; about 140,000 live in 28 communes and rural centres. The average number of inhabitants per village is 155.
- 2. The ethnic distribution of the population is as follows:

					Pe	r cent	Fer cent
Ouolofs			•		•	36	Various Mandingues 6.5
Peuls						17.5	Sarakolés 1.5
Sérères	٠	٠				16.5	Mancagnes Mandjaques l
Toucouleurs		•				9	Balantes 1
Diolas			•	•	•	9	Bambara 0.5

- 3. In rural areas, between 0.5 and 10 per cent of the population speak French and have a rudimentary knowledge of reading; a maximum of 2 persons per 1,000 have obtained a primary school certificate. In urban areas, between 7 and 17 per cent of the population speak French and have a rudimentary knowledge of reading; between 10 and 50 persons per 1,000 have obtained a primary school certificate.
- 4. Of the total school-age population, 23 per cent was attending school in 1960 in the country as a whole (30 per cent in 1961), with 57 per cent attending school in five large towns. In the main towns and centres of rural areas, 55 per cent of the school-age population was attending school, and in rural villages, 12 per cent.
- 5. Annual family incomes in Senegal total 97,800 million francs; average annual per capita income is 35,000 francs C.F.A. (\$140). The average per capita annual income in urban areas for different classes of workers is as follows:

Officials and specialists	160,000 francs C.F.A.
Salaried employees and skilled workers	80,000 " "
Labourers and similar grades	40,000 "

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^{*} Prepared for the Working Group on Decentralization by Jacques Bugnicourt, Directeur de l'Aménagement du Territoire, Commissariat Général au Plan, Dakar.

^{1/} Based on a recent geological survey map of Senegal, 1962.

In rural areas the average annual per capita income is as follows:

Artisans	 			۰		٠			30,000	francs	C.F.A.
Peasants									20,000	11	11

6. Senegal has a railway network of 1,033 kilometres and a road network of 12,600 kilometres, including 670 kilometres of asphalt roads and 1,190 kilometres of stabilized earth roads. There are air communications between Dakar and Saint-Louis, between Dakar and Ziguincher and between Podor and Matam.

Structure of government

- 7. Senegal has a parliamentary system of government, with a constitutional provision which ensures a certain measure of government stability. Several political parties are recognized, but in practice, the Union Progressiste Sénégalaise is dominant, having obtained 90 per cent of the votes cast in 1959 election based on universal suffrage.
- 8. At the top of the Government is the Council, headed by the President of the Council. He is assisted by the Commissioner-General for Planning, who is directly responsible to the office of the President of the Council and who co-ordinates the Government's development schemes. There is no central body responsible for the promotion of rational decentralization apart from the National Planning Ommission, since decentralization is regarded as one of the aspects of general development policy. General Administrative Inspectorates, who are assigned specific tasks, according to control requirements, are attached to the office of the President of the Council (General Secretariat of the Government). The National Planning Commission is responsible for the co-ordinated implementation of development schemes, and the activities of the technical ministers are co-ordinated under the national development plan.
- 9. The regional level comes immediately below the national level. Senegal is divided into seven large regions. The structure of government of each region is very similar to that of the central organization. A Governor represents the President of the Council. He is assisted by a deputy responsible for development activities and by inspectors of the regional technical services. All these officials are members of a Regional Development Committee.
- 10. At a related level, a Regional Assembly, elected by universal suffrage, is empowered to adopt a budget financed from the proceeds of local taxes. The Governor is the Government's Commissioner in this Assembly.
- ll. The cercle (3 to 6 cercles per region) lies immediately below the regional level and is an intermediate level between the basic unit and the regional authorities; it acts more as an administrative channel than as an economic body. At the head of the cercle there is a Commandant de Cercle, receiving directives from the Ministry of the Interior through the Governor, to whom he is responsible. The cercle has no independent development activities. Its officials are responsible for branches of the technical services, but it has no council or assembly.
- 12. The basic administrative unit is the arrondissement, the jurisdiction of which coincides with that of the Rural Development Centre (RDC). The functions

of the <u>Chef d'Arrondissement</u> are essentially administrative. The RDC, on the other hand, plays a fundamental part in development activities; it co-ordinates the work of the units multi-purpose teams of technicians. The representatives of the technical ministries (teachers, male nurses, agricultural officials, etc.) are regrouped in this way. The rural leaders - the peasant <u>élite</u> of the unit's communities - are trained at this level at rural leadership centres.

13. At the base, the villages grouped around a central village in rural communities (basic local authority) coincide with the co-operatives (basic cells of economic development).

Local administration

- 14. The structure of the various areas, both for the general administration of the region and for the administration of the technical services, is essentially the same at all levels.
- 15. The regional level. The Governor is responsible for the inspection and co-ordination of all technical services and for the administrative and financial supervision of these services, known as Regional Inspectorates (health, education, agriculture, stock-breeding, water and forests) or Arrondissement Inspectorate (public works). Co-ordination is effected mainly by the Regional Development Committee, which is presided over by the Governor, with the Deputy responsible for development activities acting as Rapporteur. The Regional Development Committee prepares the regional development plan on the basis of the directives of the National Planning Commission (the Commissioner-General for Planning is Rapporteur and the President of the Council is Chairman of this Commission).
- 16. Regional officials at all levels are officers of the Central Government, but in practice they receive instructions from the regional authorities which make use of their services.
- 17. The area and population of the various regions (Regional Inspectorate areas) are as follows (approximate figures):

										Area	Population
										(sq. km.)	
Dakar			•	•	•			٠.	•	250	360,000
Thies	٠		•			•	٠.	۰	•	6,300	350,000
Kaolack	•					•		9	٠	25,400	550,000
Ziguinchor	•	٠	۵		•	9	•		•	31,100	450,000
Diourbel .		•	٠.			•			•	31,600	420,000
Saint-Louis	·	•	٠	•	٠				•	43,500	310,000
Tambacounda	•	•	•		•		•		•	59,700	_160,000

- 18. The cercle level. The Commandant de Cercle is assisted by officials of the technical branches (agriculture, stock-breeding, health) or of the technical sub-divisions (public works).
- 19. The areas of the cercles are the same for all technical services. There are twenty-eight cercles in Senegal (three in Thies, six in Diourbel, four in Saint-Louis, three in Tambacounda, six in Kaolack and six in Ziguinchor). The Dakar region, owing to its dominant urban problems, has a special status. The

average size of the cercles is 7,000 sq. km, varying from 900 sq. km. for the smallest to 27,000 sq. km. for the largest, and the average population is 80,000, varying from 24,000 for the smallest and 115,000 for the largest.

- 20. The Arrondissement level. There are 90 arrondissements in Senegal. Their average area is 2,000 sq. km. and their average population 25,000 (the extreme limits being 15,000 and 35,000).
- 21. Close co-ordination of development activities in the arrondissement is ensured by the formation of a multi-purpose team in the Rural Development Centre, directed by one of the technical officials, who is selected for his dynamic qualities and organizing ability and appointed through the Governor.

Co-ordination between levels

22. Regional administrative bodies at all levels tend to fall into the same pattern as that set by the central government bodies, i.e., a system of multi-purpose teams with a development department as the driving force (this trend is not so clear-cut at the level of the cercle, where development problems are simply passed on to the competent body. Co-ordination at each level, as well as exchanges of views and transmission of directives from a higher to a lower level, are consequently facilitated. Each level receives directives from the level above but prepares its own plan, which is largely left to its initiative. The higher level checks the value of the plan as regards the employment of techniques and makes sure that it can be fitted into the framework of the national plan. At each level and in all the departments concerned, a truly regional policy is drawn up; but this policy must be compatible with national policy and it is the Governor who plays the essential role in achieving this objective (power of co-ordination plus power of amendment, the governors being inspectors general). There is no local executive system to replace this procedure.

Problem of financing

- 23. Each region and cercle is responsible for the implementation of the section of the national budget relating to the operation of services in the area under its jurisdiction and these are financed out of the general budget.
- 24. Each region implements the investment budget corresponding to the regional plan, provided for in the national investment budget, in addition to a purely regional budget financed from regional taxes and adopted by the Regional Assembly, but approved by the ministries responsible for administrative or technical control (interior, finance, planning).

Form of decentralization

25. The form of decentralization in Senegal resembles the integrated administrative system, and ensures a high degree of co-ordination at each level.

SECTION G. SUDAN

Pattern of decentralization in the Republic of the Sudan*

Basic data

- 1. The Sudan is an extensive plain covering an area of 1,000,000 square miles. Lying wholly within the tropics and isolated by natural barriers, the country can be divided geographically into three distinct regions:
 - (a) The northern part, mainly a desert, through which the Nile has provided a means of communication and cultivable land along its valley;
 - (b) The western part, composed of heavy sand dunes emerging northwards into the desert and southwards into the equatorial zone. The people in this part represent two modes of life: (i) the settled population, who depend mainly on agriculture and gum tapping, and (ii) the nomads, who move with their animals from place to place in search of water and grazing;
 - (c) The clay plain, occupying the eastern parts and extending across the central southern Sudan. The inhabitants constitute distinctive ethnic groups, speaking their own languages; they have different traditions and as indigenous culture and their means of livelihood range from agriculture to forestry.
- 2. The population of the Sudan on 1 January 1961 was 11,928,000. Ethnologically, the people are a joint stock of the Hamites (a branch of the Caucasian race) and the Negro race, now represented by the Nuba in the north and the Beja camel owning tribes (Bisharin, Beni Amir and Hadendowa) in the eastern parts.
- 3. The influence of the Arabs, who infiltrated into the Sudan from the north and east across the Red Sea in the seventh century and spread Islamic culture over the northern and eastern parts, is more felt today in the central belt through trade and inter-marriage. Their stock is represented by the Jaalin, Kababish, Kawahla and various cattle-owning tribes (Baggara).
- 4. The Nilotic tribes of the Southern Sudan, predominantly of negroid origin, represent a distinct category. Having been cut off by difficulties of transport and climatic conditions, they have not been exposed to external influences and they thus still preserve their own characteristics and speak a wide range of local languages.
- 5. Environmental conditions have to a great extent governed the ways of life of different groups, and the means of livelihood hunting, fishing, camel and cattle breeding and agriculture vary from one part of the country to another. The extensiveness of the area, the variety of natural conditions and the

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^{*} Prepared for the Working Group on Decentralization by Ali Hassan Abdulla, Director, Ministry of Local Government, Khartoum.

difficulties of transport have tended to favour decentralization. The trend of government policy has always therefore been to transfer as many functions as possible from the centre to representative bodies in the different localities. It is the only practical way to expedite local operations, utilize local initiative in area development and associate the people with Government affairs.

6. In 1956 the percentage of illiteracy among males amounted to 77.1 and among females to 96. Since independence, great efforts have been made by the Ministry of Education and local authorities to reduce illiteracy through the establishment of more schools and by means of illiteracy campaigns, with the result that the percentage has dropped to 70 and 93 per cent respectively. The low percentage of female literacy has no direct bearing on local government, as women are disqualified by law from membership in local government councils.

Structure of government

- 7. The Sudan is a democratic Republic and sovereignty is vested in the people. The Supreme Council for the Armed Forces is the highest authority in the country, but its legislative, judicial and executive powers are delegated to the President, who is also the commander of the Armed Forces. The President of the Supreme Council is the Prime Minister and has the power to appoint ministers who are responsible to him for the conduct of their ministries. Every minister supervises the activities of his ministry and executes the general policy of the Government.
- 8. The main administrative unit is the Province Council Area. The country is divided into nine provinces, which vary in size and population as follows:

	Area	Population
	(Sq. Km.)	Annual Park Salation (see a part of the second from the second second second second second second second second
Bahr El Ghazal	213,751	1,157,016
Blue Nile	142,138	2,397,528
Darfur Equatoria	496,369 198,121	1,538,712 1,049,664
Kassala	340,655	1,097,376
Khartoum	20,971	584,472
Kordofan	380,546	2,051,616
Northern	477,074	1,013,880
Upper Nile	236,180	1,037,736
	Total .	. 11,928,000

- 9. The province council areas are sub-divided into local government council areas in which fully fledged councils are exercising full powers; the remaining areas are at various degrees of local government development.
- 10. A council has to undergo five stages of development before being granted full powers to be exercised within the framework of its warrant of establishment. This rule is not rigidly followed, however, since a local government council may be promoted from the first stage to the fourth or fifth stage without undergoing the other stages. The five stages are as follows:

-180-

- (1) A local government inspector exercising local government powers without an independent budget, his revenue and expenditure being carried on the Province Council Budget. This stage is now applicable in two council areas only;
- (2) A local government inspector operating an independent budget and appointing a council to advise him on the discharge of his functions;
- (3) A local government inspector who delegates his powers to a council with the consent of the Minister of Local Government but who has the power to veto any decision which is contrary to public interests;
- (4) A local government council with full powers established by warrant by the Council of Ministers but with an appointed chairman;
- (5) A council which has full powers and which elects its own chairman.
- ll. These stages are a typical feature of the local government system in the Sudan. The factors that determine the different stages are mainly the general standards, the degree of development and the financial resources of the council area. Full powers are only granted when the area is fully ripe for local government.
- 12. The powers granted to local councils are wide and varied. They touch every aspect of human life in the locality, including public order, public health, education, agriculture, and planning and public utilities. The councils are also empowered to issue local orders, having the force of law, to regulate the general state of affairs in exercise of the powers granted to them by warrant.

Provincial administration

- 13. The establishment of province councils was a major democratic step taken by the present Government as a result of the pressing need for more decentralization. Although the country was covered with a network of local authorities, the administration of provinces and districts remained, though limited in scope, directly under a governor and a district commissioner, who represented excessive concentration of power. Moreover, the fact that the District Commissioner and the Local Government Council worked side by side in the same area resulted in duplication of work, overlapping of responsibilities, delays in execution and extra expenses in the cost of general administration. In addition, the system gave the citizens the feeling of exclusion from the public affairs of their country.
- 14. For these reasons, a commission was appointed by the Government in 1959 with unlimited terms of reference, under the chairmanship of the Chief Justice, "to make recommendations on the best ways for the citizens to play an effective role in the development of their own affairs".
- 15. The Commission was in favour of a decentralized system in which as much power as possible would be transferred from the centre to representative bodies at both local and provincial levels. The Provincial Administration Act of 1960 was therefore promulgated setting up Government representatives, province councils and province authorities.

- 16. The Government representative is appointed by the Supreme Council and is responsible to it for good government in the province. He is the ex officio Chairman of the Province Council and the head of all Government officials in the province and is responsible for co-ordination of and reporting on the activities of Government units.
- 17. The Province Council is established by warrant by the Council of Ministers and is composed of:
 - (a) Members to be elected by local government councils from amongst their members:
 - (b) Chairman of local government councils within the province by virtue of office.
 - (c) Head representatives of ministries and departments working in the province by virtue of office;
 - (d) Other persons to be selected and appointed by the Supreme Council on the basis of their prominence in the area or for their technical, professional or general experience.
 - 18. The powers granted to province councils cover a wide field of activities, including provision for and promotion of education, culture, social welfare, agriculture, public health, animal resources and public works. It should be noted that, although these powers are parallel to powers vested in local government councils, province councils can step in and perform a service in a local government council area only if the Council fails to do it for lack of staff or inadequate funds and only if the service is considered to be urgent; even then the Province Council can act only after consultation with the Local Council concerned.
 - 19. In addition to these powers, province councils are competent to:
 - (a) Make decisions on policy and issue local orders;
 - (b) Formulate and recommend to the appropriate ministers development schemes for the province;
 - (c) Consider local problems of importance to the province in all branches of administration and make suggestions for development improvement and general advancement;
 - (d) Advise the Central Government on legislation and other matters referred to it for such advice by the Council of Ministers:
 - (e) Assume general responsibility for promoting local government in the province and ensuring that services performed by local government councils are in the best interests of the inhabitants of the province, are of the highest possible standards and are in keeping with the national policy determined by the Government.
 - (f) Pass budgets of local government councils.

- 20. Province councils obtain their revenue by grant from the Government, which may be by the assignment of the produce of a tax or taxes or from the produce of any other tax which is by law assigned to the councils or from local rates or any other charges, dues or fees which are lawfully payable to the councils. These sources of revenue include:
 - (a) Assigned taxes:
 - (i) Business profits tax, assessed on local traders other than those on the Ministry of Finance list (e.g. companies);
 - (ii) Royalties, a fixed percentage of royalties on gum, firewood and charcoal from provincial forest reserves, melon seed, ivory, etc.;
 - (iii) Excise duty, on natural or artificial mineral waters and on beer;
 - (iv) Government profit on the sugar monopoly.
 - (b) Grants:
 - (i) A flat rate on the population per capita;
 - (ii) Grants-in-aid, payable at the rate of 20 per cent on the actual expenditure incurred on education and health services.
 - (c) Contribution from local councils previously paid to Central Government.
 - (d) <u>Licences</u>: for the import and sale of liquor, for the possession and use of firearms, for the use of motor vehicles and for pumping water from the River Nile for irrigation purposes.
 - (e) Fees and charges: on ferries and commercial gardens.
 - (f) Rents from Government lands and buildings.
 - (g) Premium of sales of Government lands.
 - (h) Revenue from public utility services, i.e. electricity and water.
- 21. The Province Authority is established by warrant by the Council of Ministers. It is composed of head representatives of ministries serving within the province under the chairmanship of the representative of the Ministry of Local Government, and is responsible for:
 - (a) Executing decisions of province councils;
 - (b) Studying projects of reform and development and submitting proposals concerning them to the province councils;
 - (c) Framing budgetary estimates and submitting them to the province councils;
 - (d) Submitting proposals of by-laws and regulations for adoption by province councils.

-183-

22. The powers which were previously exercised by governors under the different laws have now been conferred on province councils, province authorities or local councils. The institution of councils was found necessary for the proper and quicker handling of provincial and local affairs; matters of policy or national interest are referred to the centre.

Field administration

- 23. The main administrative unit for all Central Government activities is the province. Different technical services have common areas within the province, and every ministry has its official representative, who is a member of the Central Civil Service.
- 24. The Provincial Administration Act has provided for the co-ordination of the work of different ministries within the same province. Their Heads are directly answerable to the province councils and are jointly and severally responsible for the execution of their decisions. They are also responsible to their ministries in matters pertaining to their ministries which have not been granted to the province councils or province authorities. Services such as hospitals, secondary education and public security have to be operated by Central Government in view of the fact that a minimum standard should be maintained and Central Government organs in this case are most fit and more properly equipped to deal with them.
- 25. Co-ordination is fully maintained through the province authority in which all ministries at provincial level are represented and are responsible for the discharge of their functions collectively. Members of the Province Authority are also members of the Province Council and play an important role in the planning of services in addition to their responsibilities for the execution of services.

Local authorities

- 26. Extent of area and population coverage are not the deciding factors in the constitution of local authorities. The approach in constituting such authorities is that a council area in the Sudan should, as far as possible, be financially self-sufficient and that its size should render easy administration possible and ensure fair distribution of services among people of the locality. It should also, as far as is practicable, embrace inhabitants of common interests and of the same mode of life.
- 27. Municipal and rural councils are constituted to administer municipal and rural areas respectively. Subordinate village councils are established in some cases with limited powers to administer a group of villages under the auspices of the Rural Council. This is done to overcome difficulties of administration in large areas and to entrust services to representative bodies deriving power from the main council.
- 28. Local government councils are bodies corporate known by the name of the councils; they can sue and be sued under their names and have power to make contracts and to own land. They are autonomous bodies except in so far as their powers have been limited by warrant.

- 29. The Minister of Local Government is responsible for the supervision, promotion and development of local government in the country. He approves the taxation levels of all local government areas to ensure uniformity and justice to all residents, and he plays an important role in local government finance and its control. He retains the ultimate authority of appointing fit persons to supervise and inspect performances of councils and auditors to audit the accounts and certify the annual balance sheets. As regards province councils, the Minister of Local Government and other Ministers have the power of appointing fit persons under the Provincial Administration Act of 1960 to supervise the fulfilment by province councils and province authorities of functions pertaining to their ministries.
- 30. It is therefore evident that central control is confined to general standards and is exercised in the form of supervision, inspection and audit as a measure of ensuring that local government and province councils are performing their functions efficiently and within the powers permitted by law.
- 51. Rural councils are granted the powers to provide and operate technical services in the field of agriculture (soil conservation measures, maintenance of agricultural demonstrations etc.), education (lower-grade schools, provision of libraries, etc.), and public health (environmental sanitation, maintenance of health centres, etc.). They receive technical support from the Central Government in the form of supervision and advice in running these services and of training of staff necessary for their operation. Technical services of higher levels are either granted to province councils or Central Government ministries, as they are in a better position to ensure that a minimum standard is maintained.
- 32. Appointments and terms of service for local government officials are governed by regulations issued by the Minister of Local Government. They include appointment and discharge, allowances and grants, loans, conduct and discipline and post-service benefits. But the power of appointing chief executive officers lies with the Director of the Ministry of Local Government in accordance with the minimum qualifications permitted by regulations.
- 33. Local government councils obtain their revenue by grant from the Government, which may be by the assignment of the proceeds of a tax or taxes or from the proceeds of any other tax which is by law assigned to the Councils and from local rates or any other charge, due or fee which is lawfully payable to the Council. These sources can be summed up under the following headings:
 - (a) Taxes assigned by the Government to the local councils:
 - (i) Animal tax, levied at different rates on cattle, camels, sheep, donkeys, horses, etc.;
 - (ii) Land tax, levied at different rates on agricultural land irrigated by artificial means, i.e. pumps;
 - (iii) Date trees tax, levied on date trees in the Northern Province;
 - (iv) Ushur, a tax levied on agricultural produce grown on rainlands;

-185-

- (v) Tribute, levied on a tribe or a section of a tribe;
- (vi) House tax, levied at a certain percentage on dwellings, shops, buildings, etc.;
- (vii) Entertainment tax, levied on all types of entertainment.

It is noteworthy that the taxation system is suitable for a variety of groups and caters for the levy of the tax on property owned by individuals in the different parts of council areas.

- (b) Local rates, the second major source of revenue of local government councils, are levied at a certain percentage of the annual rental value of buildings.
- (c) License fees and charges. Fees are payable for issue of licences to traders and for sanitary, liquor and other licences. Though these contribute appreciably to local revenue, they are imposed for control purposes. Other fees and charges are also collectable for certain services undertaken by councils, e.g. markets, slaughtering and animal pounds.
- (d) Grants-in-aid are payable either in the form of deficit grants to help the poorer councils meet their obligations or to subsidize services of national interest, e.g. education, judicial and administrative staff and through roads.
- (e) Loans and grants. Loans are payable to councils where appropriations in their capital account are not sufficient to meet the cost of capital projects. They are payable at fixed periods, depending on the nature of the project and the capacity of the local government council to repay; periods may extend up to thirty years at an annual interest of 4 per cent. Grants are paid by the Government to councils as a contribution towards the initial capital costs of certain projects at the following percentages: administrative buildings, 75 per cent; schools, 50 per cent; through roads, 50 per cent; local roads and drains, 33 per cent.

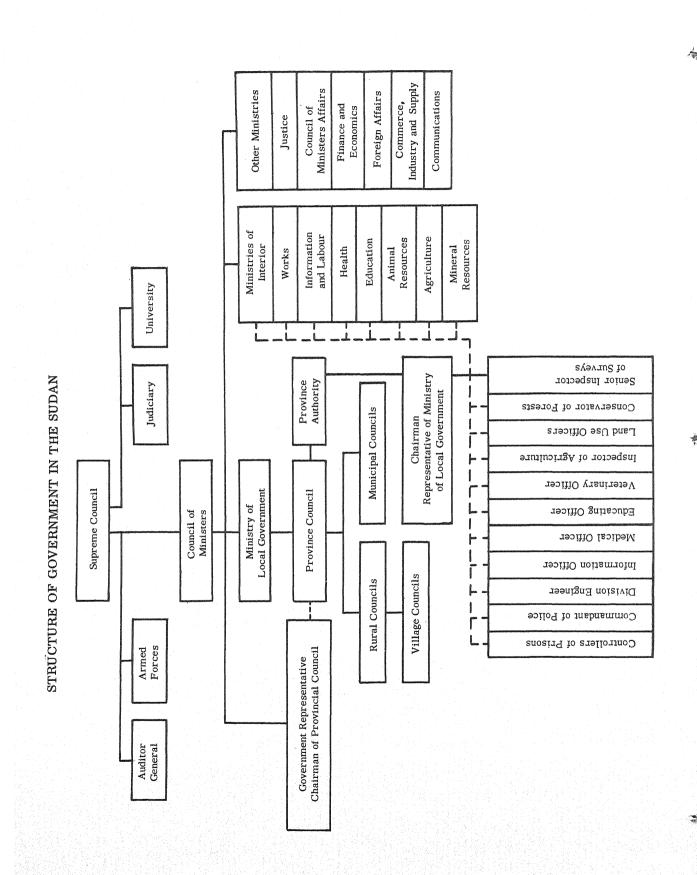
Central - local relations

- 34. As previously indicated, the Ministry of Local Government is the central organ for promotion and development of local government in the country. More powers are granted by the Minister to local councils if it appears to him that, in the circumstances, they can best be exercised by the councils in the public interest. The Ministry acts as a medium for co-ordination of work between councils and Central Government organs. Its advice is readily available to them through its specialized departments in the legal, engineering, housing, community development and planning fields. It also ensures that central planning and general government policy is being observed by local councils.
- 35. At the provincial level, the Minister of Local Government is vested with the general responsibility for affecting any policy laid down by the Government for the introduction and development of province administration. He is also empowered, with the consent of the Council of Ministers, to make regulations for council procedure, personnel, finance of province administration and other matters of a general nature. Every Minister has powers of supervision and inspection over

-186- /.

province administration in matters pertaining to his ministerial functions, and ministers may appoint fit persons to inspect performances or fulfilment, by a province council or a province authority, of its duties and responsibilities. A Minister may suspend a decision of a province council if it falls entirely within his jurisdiction and must make a full report to the Council of Ministers. Every Ministry is enabled to scrutinize that part of the budget pertaining to its function before submission of estimates to the Province Council. The Minister of Local Government obtains the agreement of Ministers concerned in parts pertaining to their functions and of the Ministry of Finance and Economics generally before submission to the Council of Ministers.

-187- /..



SECTION H. UNITED ARAB REPUBLIC

Pattern of decentralization in the United Arab Republic*

Background - The evolution of local government

- l. The evolution of the local government pattern in the United Arab Republic had its beginnings in 1882, when Britain occupied Egypt. Fublic security was the main objective of British policy when it assumed the responsibility of remodelling the administration. The country was divided into provinces, each headed by a high central official responsible to the Minister of the Interior, and a British adviser with considerable authority was attached to each ministry. Each province was divided into districts, headed by a police official, covering 50 to 70 villages. Each village was headed by a mayor who was appointed by and served at the pleasure of the Minister of the Interior. The mayor was one of the landlords of the village. He had a small police force to carry out orders but did not have enough financial revenue to maintain local utility services. This resulted in many villages going without the least of these facilities.
- 2. Cairo was administered centrally. Some of its local services were undertaken by the Ministry of Public Works. In Alexandria, where the majority of the population was European, the utility services were mostly owned by European companies.
- 3. During the period from 1893 to 1917, about thirty town councils came into being. The main functions of these councils pertained to water supply, buildings, gas lighting and street cleaning. A number of village councils were created in 1910, wherever there was a police station. As a rule, the police officer in charge of the station was also the chairman of the council. The population, therefore, was not enthusiastic about such councils; only seventy councils were created among the 4,000 villages.
- 4. Since 1952, the local system has passed through two phases. The first, which continued up to 1960, was the preparatory stage of large-scale deconcentration. The law of 1960 brought into effect full-fledged decentralization.
- 5. The first phase began after the republican government came into being in 1952. The Government realized that in order to implement development it was necessary to deconcentrate the energies dormant in central ministries, to multiply and expand their agencies and to establish field units to handle locally ministerial functions serving the local areas. As a consequence of this effort, a prodigious expansion of all essential services took place. Schools, hospitals, adult literacy centres, maternity welfare centres and other economic projects increased.

-189-

^{*} Prepared from material presented to the Working Group on Decentralization by Mohamed Abdullah El-Araby, Chairman, Consultative Committee, Ministry of Local Administration, Cairo.

- 6. National union committees were established in order to stimulate popular interest and participation in the activities of the field units. These committees, which are described below, were elected through universal suffrage, both male and female, in every village and town, with indirect representation to committees at higher levels.
- 7. Under the law of local government, which was issued in March 1960 and which is to be gradually implemented over a period of four years, provincial councils have been constituted to replace the old ones. As an interim measure, the law provides for the supply of requisite local services to towns and villages which do not have such councils as yet. Eventually, at the end of the four-year period, it is expected that most of the towns and villages will have their own councils.

The structure of local government

- 8. The United Arab Republic, with a population of more than 26,000,000, is divided into twenty-five provinces, twenty-two in the Nile Valley and three in the desert area. Provinces consist of many towns and villages. The distinction between the villages and towns does not depend entirely on the density of population. The primary factor in deciding this is the nature of economic life of the community. Some of the villages, when they become more industrialized, are converted into towns.
- 9. Large cities, like Cairo and Alexandria, have been converted into provinces, with a provincial council which combines the attributes and financial resources of both a provincial council and a town council.
- 10. Each of the three categories of local government councils the provincial council, the town council and the village council combines three elements in the composition of its members, namely:
 - (a) Elected members, who form the majority and who are usually members of the National Union Executive Committee (N.U.E.C.) of the local unit;
 - (b) Some members of the National Union who were not elected to the N.U.E.C. but who have specific qualifications and would be useful to the local council. In the village council, two such members may be appointed by the provincial governor. In the case of a town or provincial council, three to five are appointed by the Minister of Local Government;
 - (c) Ex officio members who were the heads of the technical departments during the deconcentration phase.
- ll. The chairman of a local council must be a member of the council. He may be an elected, an appointed or an <u>ex officio</u> member. The chairman of the village council is appointed by the Minister of Local Government on the proposal of the provincial governor; the chairmen of the town council and of the provincial council are appointed by the President of the Republic.

-190-

12. The distribution of the three categories of council members are as follows:

Elected members	Appointed members	Ex officio members
Village 8 to 10	2	6
Town 20	3	6
Province 4 to 6 representatives of districts, dependin on the number of administrative districts in each province	10 selected by the g Ministry of Loca Government	10 representing 1 ministries

The role of the provincial governor

- 13. The Provincial Governor is legally a member of the Provincial Council, appointed by the President of the Republic. He has the status of a Vice Minister and the administrative authority of an Under-Secretary. He has disciplinary powers over all staffing and personnel matters in the Department of the Provincial Council and the Central Agencies.
- 14. The Provincial Governor resigns automatically when the President of the Republic completes his six-year term of office, but he retains his powers until the new President is elected. He represents the State executive for his province and supervises the execution of the Central Government laws in his province. In the capacity of the President of the Provincial Council, he is the executive organ of the Council's decisions, in addition to his other local functions. Thus, the Provincial Governor has a dual role and represents both the central and the local government at the same time. This is not the case with the chairman of the town and village councils.

The National Union

15. The system of local government in the United Arab Republic has a unique institute running parallel to it. This is the National Union, which was established by the Constitution of Egypt in 1956. It is a kind of political organization, representing the whole country, all parties having been disallowed. It serves mainly as an electoral college for representatives and co-operative bodies at local and higher levels, and at the same time a rallying point for civic effort; and as a means of stimulating and overseeing government activities. In some respects, it is intended to function as a general-purpose community development body; for example, the Union Committees at each level have study groups on different subjects and sub-committees on public works and on social and other matters.

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- 16. The National Union has a complicated structure, but its main features are as follows:
 - (a) Persons over sixteen can become members of the National Union by paying annual dues of 12 P.T. or can become active members by paying 120 P.T. annually and being active in Union organizations.
 - (b) The organization of the Union is pyramidal, with members electing committees in their basic area (in villages, ten are elected, and in cities, thirty are elected) to the Executive Committee of the National Union. Cities which are provinces at the same time, e.g. Cairo and Alexandria, are subdivided into districts; each district (Qism) has its own elected N.U.E.C. of thirty members.
 - (c) Each province includes a number of districts (markaz). The markaz is a police centre, supervising fifty to sixty villages and two or three towns. The markaz has its N.U.E.C., composed of the secretaries of the N.U.E.C. of the villages and towns in the markaz area. Thus, the markaz committee is representative of all the villages and towns in its area.
 - (d) Out of the members of the markaz N.U.E.C. (as explained above), four are chosen to represent the area of the markaz in the provincial N.U.E.C.
 - (e) At the national level, there is a General Annual Congress, composed of the N.U.E.C. of all the provinces and of a Supreme Executive Committee.

The functions of local councils

- 17. The policy adopted on the basis of the local government law is to delegate to local authorities all functions which, by their nature, are predominantly local, such as local utilities and town planning. With respect to functions of national interest, the policy is to delegate responsibility for those aspects requiring adaptation of method of operation to local needs and aptitudes. Some of these are problems relating to technical education, medical services and economic projects.
- 18. The local government law specifies the jurisdiction of the various local government units with respect to various services. The general division of responsibility for major functions set forth below is suggestive of the functions of each level of local authority.
 - (a) Education. The provincial council undertakes to erect, equip and administer general and technical secondary schools (model experimental schools, training colleges, and higher training colleges are reserved to the Central Government). The town council restricts itself to the erection, equipment and administration of intermediate schools and primary schools, and the village council takes care only of the primary schools within its limits.
 - (b) <u>Public health</u>. The provincial council concerns itself with the large general hospitals and special clinics, medical stores, institutions and units of hygiene instruction; the town council administers town hospitals, welfare and maternity centres, school medical units and health offices; and the village council concerns itself with village hospitals, dispensaries and endemic diseases units.

- (c) <u>Public utilities and housing</u>. This function is entrusted mainly to the town and village councils, but the provincial council, having at its disposal more engineering personnel and technicians, helps the local councils within its jurisdiction by drawing up plans, preparing specifications and doing research.
- (d) Social welfare. The provincial council encourages the formation of voluntary social organs and benevolent societies and grants them subsidies. The town and village councils supervise these societies and may propose to the provincial council the dissolution of their boards and the appointment of interim directors. The provincial council is authorized to grant social assistance when this amounts to more than E.£lo. Any grant less than E.£lo could be granted by the town and village councils. The provincial councils also take the responsibility for establishing youth centres and maintaining them throughout the province; the town and village councils participate in this function and supervise private organizations engaged in these activities.
- (e) Rural handicrafts and domestic industries. The provincial council gives material aid and technical guidance to the local councils to carry on these activities. It also studies the potentialities of the rural areas and examines applications for grants submitted by the town and village councils.
- (f) The Co-operative movement. It is the responsibility of all local councils to foster the co-operative movement in its various phases of production, consumption and marketing. While the provincial council supervises the Union of Co-operatives, each town and village council supervises its own co-operatives.
- (g) <u>Labour</u>. The provincial council supervises the labour syndicates and their branches, establishes and administers labour employment offices and undertakes labour inspection to ascertain conformity to standards prescribed in the labour legislation. The town and village councils supervise labour employment offices within their areas.
- (h) Agriculture. Town councils do not participate in this function unless there is a cultivable area within their jurisdiction. It is the provincial and the village councils who undertake, according to their resources, duties in agricultural education, agricultural censuses, supervision of local trades, nurseries, pest control, control and prevention of animal diseases, supervision of slaughterhouses and management of veterinary hospitals and laboratories, as well as in organizing exhibitions and museums for public information and education.
- (i) Communication and transportation. The construction and maintenance of streets and roads inside towns and villages, as well as the operation of their own local transportation, is the responsibility of the town and village councils. The provincial council is responsible for the construction and maintenance of provincial roads linking villages and towns to national highways. It also enforces general regulations in respect of roads within its jurisdiction and specifies standards for construction, and it has certain auxiliary functions with respect to railways, river transport and postal services.

- (j) Police. In view of the fact that police service in the United Arab Republic includes the conducting of preliminary investigations of a judicial character, which should be placed in the hands of a neutral authority, not liable to be influenced by local considerations, the law of local government has made the police service a central function throughout the country. But local councils are entitled to submit recommendations for police service in their areas.
- (k) Economic Development. Each type of council may undertake activities involved in this function to the extent of its capability.
- 19. The law empowers two or more local councils at the same or different levels to form boards, upon authorization of the Ministry of Local Government, to carry out projects or services jointly.
- 20. The local government law requires the previous consent of the provincial and village councils before certain measures are undertaken by the Central Government. For example, the provincial councils must be consulted on plans for irrigation, limitation of crop areas, construction of national roads and railways and modification of provincial boundaries or judicial districts.

"Combined units"

21. During the deconcentration phase, an experiment was carried out in rural areas of combining several services (a primary school, local hospital, maternity centre and agricultural extension office) in one centre. About 300 such centres were established, each of which served not more than 15,000 people (i.e. usually several villages). Limited popular participation was provided through consultative councils, but responsibility for actual administration rested with the respective ministries and their representatives in the centres, who served in rotation as head of the centre. Pursuant to the local government law of 1960, village councils with an elected majority are replacing the combined units. The heads of the several services are ex officio members of these councils. The councils have important functions, as noted earlier, and independent financial resources in addition to grants.

Sources of revenue for local government

22. Local revenues are derived from local taxes (e.g. the land tax), additional percentage on national taxes, fees from official services, rent of local property, revenue from local enterprises and grants-in-aid. The law entrusts the central government with the responsibility of assessment and collection of the land tax but gives the proceeds to the local councils - three-fourths to villages and one-fourth to provinces. It also authorizes the provincial councils to impose additional taxes up to 5 per cent on the original land tax, or higher with the approval of the Central Government. Town councils are entitled to impose a tax on owners and occupants of buildings. Another source of income is the common fund tax. Common fund taxes are local additional taxes imposed by the provincial councils concerned and grafted to certain national taxes, such as the customs tax, the income tax on stocks and shares and the income tax on commercial and industrial enterprises, to constitute a common fund serving all local councils. Provincial councils are also authorized to impose licence fees on cars, motorcycles and other means of transportation, licensed by the council.

23. There is also a special assessment tax which the town and village councils are authorized to levy - a compulsory contribution on all fixed property which benefits from a project carried out by the council, and there are other sources of revenue, such as grants-in-aid from the state, rent of state property, net revenue of government markets, revenue from providing public utilities, revenue from local property, loans and voluntary contributions.

The role of committees in local councils

- 24. The fundamental principle that underlies local government is that the local council is a deliberative body whose decisions are executed by an organ of the council, its chairman, who is at the same time its chief executive.
- 25. Members of each council are divided into a number of committees corresponding to the councils functions, and each committee takes up one or more functions. The committees of local councils are either statutory or ad hoc. There are four statutory committees of the village council:

 (i) education, culture and youth welfare; (ii) agriculture, co-operatives, irrigation, rural industries and supply; (iii) public health and utilities; and (iv) social services.
- 26. The ten statutory committees of a town or a provincial council are concerned with (i) education, culture and guidance; (ii) public health; (iii) public utilities and communications; (iv) economic affairs; (v) co-operation, agriculture, irrigation and rural industries; (vi) youth welfare; (vii) social service; (viii) supply; (ix) co-ordination; and (x) citizens' suggestions and complaints.
- 27. Committees are authorized to issue recommendations to the councils, but not decisions. The councils meet monthly. The meetings are open to the public, and members of provincial councils receive a remuneration.

Staff of local councils

- 28. Before 1952, the employees of the field agencies of the central government had the same status and remuneration as central government officials, and when they were transferred to the service of the local councils, they continued to be treated as before as regards status, remuneration and pension rights. Thus, all the employees of the new local councils had to be treated alike and so the law has provisions to give them equal treatment. The local councils are authorized, however, to make their own rules for recruiting and staffing their services, for fixing the rate of pay and for other emoluments. These rules, before being put into effect, must be approved by the Vice-President for Local Government. Except for education, salaries cannot exceed 50 per cent of the budget for a function.
- 29. Although the request to fill a vacancy must be initiated by a local council, only the provincial governor may appoint persons to permanent full-time posts in the services of provincial, town and village councils.

-195- /..

30. The chairmen of local councils exercise certain administrative and disciplinary powers over their council staff. The provincial governor is given the legal powers of a Minister and Under-Secretary of State over all the local personnel within the province. The chairman of a town or a village council is given the legal powers of a departmental head over his own staff.

Local budgets

- 31. The provincial budget, including the annexed budgets of town and village councils, is submitted to the Minister of Local Government for examination by inter-ministerial committees. All modifications are made in consultation with the provincial governor. After approval by the Minister of Local Government and the Vice-President for Local Government, the budget is submitted to the President for ratification.
- 32. Each local council, in executing its budget, follows the financial regulations annexed to the local government law. A financial controller delegated by the Ministry of Finance is attached to the Provincial Council; he is entrusted with the over-all supervision of local finances and acts as a financial adviser to the provincial governor. The Court of Public Accounts conducts the post-audit of receipts and expenditures.

Ministry of Local Government

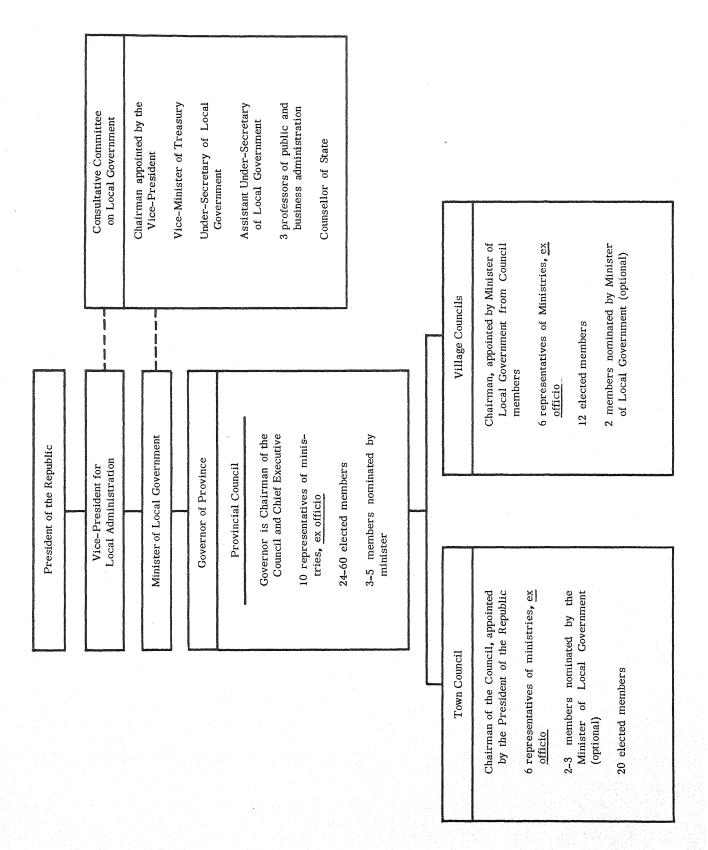
33. The Ministry of Local Government was created in 1960, pursuant to the basic local government law, to expedite action by technical ministries on requests from local authorities, to oversee relationships with and helpfully supervise local authorities and to distribute grants-in-aid and provincial shares in the Common Fund. The Ministry has a consultative committee. It also has a small staff which is organized on the following basis: legal division, rural councils, town councils and provincial councils. The Ministry of Local Government has an important role since it serves as an instrument not only of control, but also for co-ordinating programme planning and allocating financial resources to local authorities. The Vice-President of Local Government's supervisory competence covers all the ministries concerned with functions delegated to local councils.

Nature of relationship between central and local authorities

- 34. Local authorities are decentralized organs of the State. They receive their powers and functions from the legislature and are supposed to work closely with central authorities in discharging them. The central authorities have supervising powers over the local authorities.
- 35. The local councils may be dissolved by a Presidential decree, at the request of the Minister of Local Government and the approval of the National Union, but all the local councils cannot be dissolved as a wholesale measure. An interim council, appointed by the Minister of Local Government, supplants the dissolved council whenever necessary, until the constitution of the new council.
- 36. The pattern of decentralization emerging in the United Arab Republic approximates most closely the "comprehensive local government system", as defined in this study.

-196-

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SECTION I. UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Pattern of decentralization in the United Kingdom*

Basic data

- 1. The United Kingdom has a area of 94,209 square miles and a population of about 52,700,000 (46,100,000 in England and Wales, 5,192,000 in Scotland and 1,408,000 in Northern Ireland).
- 2. The population is very largely urban, 8C-90 per cent living in towns and urbanized areas. There are some very large cities London, including suburbs (8,0C0,0C0), Glasgow (1,077,0C0), Birmingham (1,1C0,0C0), Liverpool (750,0C0), Manchester (660,0C), Edinburgh (470,0C0), Leeds (510,0C0), Sheffield (494,0C0) and Belfast (434,0C0) and several big urban concentrations (conurbations), consisting of one or more big cities and their satellite areas: London; the West Midlands (Birmingham and Coventry); the North West (Liverpool and Manchester); the West Riding of Yorkshire (Bradford and Leeds); Tyneside (Newcastle); the West Lowlands of Scotland (Glasgow); and South Wales (Cardiff and Swansea).
- 3. There are 184 towns with a population of 50,000 or more and some hundreds with a population between 50,000 and 5,000.
- 4. Outside the towns, the population is grouped in villages and hamlets, with a fair number of scattered farmsteads, particularly in the remoter parts. The people in these areas are predominantly engaged in agriculture, forestry and fishing, although some work in mining.
- 5. The only people who can in any way be described as nomadic are the gypsies, of whom there are perhaps 50,000.
- 6. There is virtually no illiteracy in the United Kingdom.
- 7. Scotland, Wales and, to a large extent, Northern Ireland are populated by stock which is predominantly Celtic, and in certain parts of these areas Gaelic languages are still habitually spoken. This has, however, made no real difference in the pattern of local government in these countries, although in the case of Scotland, due to its separate historical development, the arrangements for local government vary somewhat from those found elsewhere in the United Kingdom.
- 8. A highly developed transport system of roads and railways makes communication between all parts of the United Kingdom rapid and easy. This transport system is supplemented by ship and air services where conditions call for them. Distances are relatively short and geographical features rarely impose barriers of any significance and certainly do not affect the form of local government.

^{*} Prepared for the Working Group on Decentralization by D. Walsh, Deputy Secretary, Ministry of Housing and Local Government, London.

Structure of government

- 9. The structure of government is unitary for England and Wales and for Scotland, with one Parliament, consisting of an Upper and Lower House. Scotland, however, has its own government departments located in Edinburgh and operating under separate government ministers, and Wales, while not having separate government departments of full stature, with Welsh ministers, has outposted offices of the main government departments, often with much more extensive powers than Regional Offices (see below, paras. 13-17). The title of Minister of Housing and Local Government is extended by the words "and Welsh Affairs" to cover his special responsibility for ensuring that adequate account is taken of the Welsh point of view in central government circles.
- 10. Northern Ireland has a separate Government, with a two-chamber Parliament and government departments located in Belfast.
- ll. In the London Parliament there are three main parties: the Conservative and the Labour Parties are numerically far the largest; the Liberal Party at present holds very few seats in the House of Commons. This party pattern is repeated in the local authorities, although the nomenclature may be somewhat different and there are more "Independents". The Northern Irish Parliament also operates on multi-party lines.

Field administration

- 12. In England both common and distinctive field administration areas are used.
- 13. Regional organization. The country is divided into ten recognized regions each centred on a regional capital and having a population of several millions. These are used by some government departments, sometimes with variations, e.g. the Ministries of Labour, Trade, Health and Agriculture, each of which maintains a central office in the regional capital. Subordinate offices are used as necessary to cover smaller districts. (They may also be used, with some adjustment where necessary, as the areas of operation of the local boards set up to operate some national service.)
- 14. The regions have been defined to secure a division of the country into convenient units from the point of view of geography and workability. In size they range from just under 2 million acres to just under 6 million and in population from less than 3 million to 6.5 million. There is no significance in these differences.
- 15. Co-ordination is normally limited to ensuring that where several Ministries have an interest in the same activity their views are brought together at periodical or at special meetings. An example of this is provided by the Regional Boards for Industry.
- 16. In Wales, where there are considered to be special needs, there are periodical meetings of representatives of the offices of all government departments under the chairmanship of the Minister for Housing and Local Government and Welsh Affairs.
- 17. All the staff employed in the areas, including the seniors, are career appointees.

-199-

- 18. <u>Distinctive areas</u>. Particularly where highly technical services with special characteristics are involved, the areas used may be drawn specially, e.g. in the case of the audit service for local government, or the Alkali Inspectorate, which is concerned with much detailed visiting of industrial establishments in regard to air pollution. Such areas may be smaller in number or larger than the standard regions. Generally, each such service is organized in no fewer than six nor more than eighteen areas.
- 19. Since the essence of work organized in this way is that it is distinctive, there is rarely much call for co-ordination with other activities in the area. If the need arises it is met by special meetings of the various interests concerned. Co-ordination between the activities of the staff of a particular type employed in distinctive areas is arranged by the central controlling group of the particular technical service.

Types and size of local authorities

- 20. In England and Wales, apart from London, the main types of local authorities are the County Councils, of which there are 61, and the County Borough Councils (i.e. the big towns outside the jurisdiction of the County Councils and with comparable powers), of which there are 83.
- 21. The County Councils are sub-divided into three types of districts: non-county borough councils (318); urban district councils (563); and rural district councils (474).
- 22. The districts are sub-divided in areas under Parish Councils, of which there are about 7,500, and there are, in addition, about 3,300 "parish meetings" which are regulated by statutory provisions. The powers of all these subordinate authorities are limited according to their status.
- 23. The local authorities for London are the London County Council, the Corporation of the City of London and the twenty-eight Metropolitan Borough Councils.
- 24. In Northern Ireland the structure is broadly the same as that applicable in England and Wales except that there are no parish councils. The Scottish pattern has certain distinctive features but is not greatly different.
- 25. Iocal authority areas, even when administered by the same type of local council, show great variations in territorial size. Thus the largest parish council covers an area of about 99 square miles, and the smallest ll acres. Rural districts range from about 3 to about 450 square miles (the majority extending over between 80 and 160 square miles), and urban districts and non-county boroughs range from about 210 areas to about 80 square miles (the majority extending over between 2 and 10 square miles). Forty-two of the county boroughs cover between 7 and 15 square miles; twenty cover between 15 and 30 square miles; nine cover over 30 square miles the largest, the city of Birmingham, covering approximately 80 square miles; and two cover less than 7 square miles. Apart from London, the boundaries of forty-eight of the administrative counties follow broadly the same lines as those of the historic

-200-

shires, and their areas show similar disparities in size, although in many cases they are somewhat smaller owing to the separation from them of the county boroughs. The other thirteen administrative counties consist of three divisions of Yorkshire, three of Lincolnshire, two of Sussex, two of Suffolk, the Soke of Peterborough (in the geographical county of Northamptonshire), the Isle of Ely (Cambridgeshire) and the Isle of Wight. Devonshire, covering some 2,611 square miles, is the largest administrative county, the smallest is the Soke of Peterborough, with a total area of nearly 84 square miles.

- 26. Population figures show an equal diversity. The largest parish population is 27,000 people; the smallest is four. Analogous figures are: over 62,000 to under 1,500 in rural districts; over 110,000 to under 770 in urban districts; and over 184,000 to under 1,000 in non-county boroughs. The population figures in fifty-four of the county boroughs fall between 50,000 and 150,000; but in eighteen cases, they have risen to between 150,000 and 300,000 and in nine cases, they reach over 300,000 the city of Birmingham having a population of over one million people. At the other end of the scale, there are two county boroughs with populations of less than 50,000. Middlesex is the most populous administrative county, with a population of over 2,270,000; Rutlandshire with a population of less than 21,000 is the least populous.
- 27. The area administered by the London County Council covers nearly 117 square miles and has a population of between 3 and 4 million; the City of London, administered by the City Corporation, covers the square mile in the heart of the capital and has a resident population of only 5,000, although many thousands more go into the area almost daily to carry on their work. The smallest metropolitan borough covers 406 acres and has a population of some 25,000; the largest covers some 14 square miles and has a population of over 330,000.

Services provided by local authorities

- 28. Iocal authorities exercise the fullest practicable degree of responsibility for the services allotted to them by statute. These are very wide, covering education, housing and environmental health services, town and country planning, tolice, roads, refuse collection and disposal, the provision of libraries, markets, museums, parks and open spaces and many other services.
- 29. Not all authorities have the full range of functions. For example, only the County Councils and County Boroughs are recognized as Local Planning Authorities; they are responsible for the preparation and review of the Development Plan, but there may be provision, under a special scheme for the area, for the delegation of certain planning powers to the county district councils.
- 30. Sometimes part of the responsibility for a subject may be reserved for the Government Department concerned; thus, while the local authorities deal with minor roads, trunk roads are the concern of the Ministry of Transport.
- 31. While rural local authorities do not have some of the wider functions, such as education and roads, they carry a wide range of responsibility for functions appropriate to their size and resources, including houses, sanitary services,

-201-

covering drains and sewers, refuse collection and disposal, smoke abatement, water supply, street lighting, the provision of abattoirs, baths, cemeteries, markets, parks and open spaces, food and drug inspection and, normally, planning powers in regard to development control.

Councils

- 32. County Councils vary in size from 28 to 162 members. Three-fourths of the members are elected for three years; the remainder are aldermen elected for six years by councillors from among themselves or other persons qualified to be aldermen.
- 33. County Boroughs have from 48 to 160 Council Members; Non-County Boroughs 12 to 48; and Metropolitan Borough Councils, from 30 to 60, only one-seventh of which are aldermen. The method of election is as in the County Councils.
- 34. All the members of urban and rural district councils are directly elected for a term of three years. The size of the councils is determined by the county council.
- 35. Parish Councils consist of a chairman and not less than five nor more than twenty-one members, as may be determined by the county council.
- 36. Each council operates under a Chairman or Mayor with over-all responsibility for policy and decisions on matters within its sphere but providing, in the main, for the execution of the actual work by a series of committees (finance, housing, education, etc.) operating through paid officials. The Town Clerk acts as general co-ordinator. The Chairman or Mayor is elected by the members of a council from among themselves, although he may be some other person qualified to be a member of a council. He generally serves for one year.
- 37. Special attention should be drawn to the extent to which local government in the United Kingdom is dependent upon the Committee system. Normally all or most of the main functions are allocated to different Committees of the Council. These have the responsibility for seeing through the work within their sphere subject to referring difficult and contentious matters to the full Council and to making periodical reports on their activities to that body.

Local government personnel system

38. There is a national pattern of grades and remuneration derived from negotiations between staff organizations and the bodies representing the councils as employers. There is very free movement of staff at all levels between local authorities. Certain aspects of their employment are controlled by national legislation, e.g. superannuation and compensation on abolition of office.

Sources of local authority funds

- 39. Local authorities derive their funds from the following sources:
 - (a) Revenues: as from rents of houses and other property;

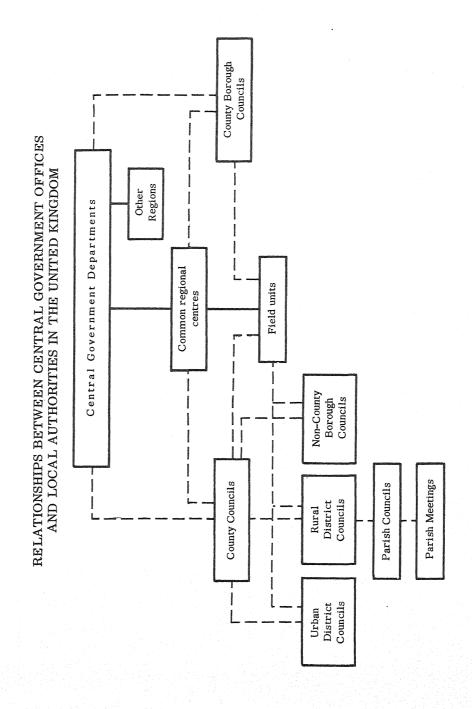
- (b) General grant: a grant which replaces almost completely the previous arrangements under which grants were paid to local authorities by the Ministries responsible for the various technical services. It amounts to about 55 per cent of the total expenditure of local authorities;
- (c) <u>Rate deficiency grant</u>: an over-all grant, the object of which is to assist authorities whose rate resources are below national average. Very large numbers of local authorities qualify for this grant;
- (d) Specific grants: these are still paid in a very few cases where there are held to be special conditions, e.g. in National Park areas;
- (e) <u>Loans</u>: local authorities require the approval of the central Government to borrow for capital expenditure, e.g. land acquisition and the construction of buildings.

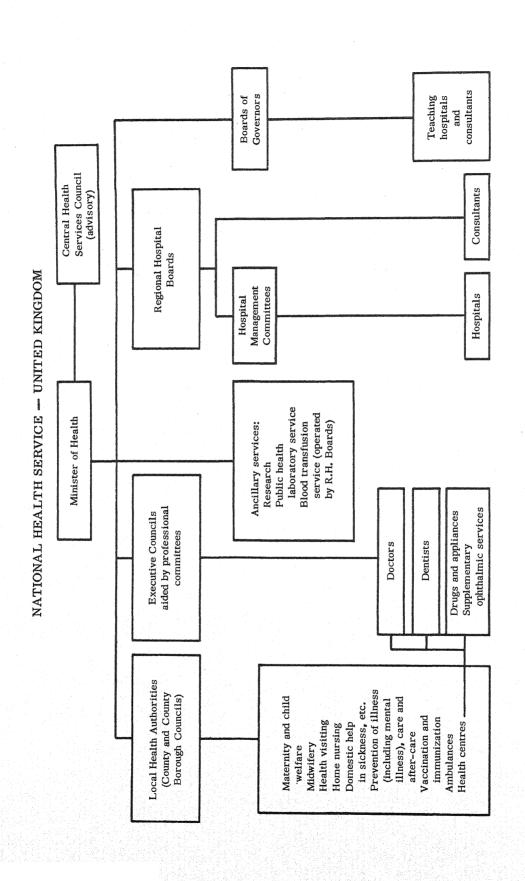
Central-local relations

- 40. Maximum decentralization is accepted by the Government as an aim, and it is the function of Government departments to encourage it. The local authorities in the various groups have associations which are in constant touch with the various Government departments, and it is a fixed objective of theirs to press for the maximum devolution.
- 41. All Ministries responsible for services accept the liability to assist local authorities as necessary with the discharge of their responsibilities. This is done in two ways: by issuing guidance, whether by statutory orders or by circulars, on the service; and by holding themselves available on request to help either through their local organizations, whatever their form, or from Headquarters.
- 42. The extent of controls is often dependent on statutes. For example, planning legislation lays it down that the local planning authorities must prepare and review as necessary the Development Plan for their area and put their proposals to the Minister for approval. Sometimes there is inspection of a particular service, such as police and fire protection. Audit provides a widespread control aimed at watching the legality of expenditure.
- 43. Although the Ministry of Housing and Local Government is concerned only with some of the services performed by local authorities, such as territorial planning, housing, water and sewerage and the provision of general public facilities, it takes the lead where necessary on behalf of Government departments in relation to local authorities as their "friend at court".
- 44. The chart which follows attempts to present a general picture of relationships between central government departments and local authorities; the relationships may differ considerably between departments.
- 45. Where local authorities carry the prime responsibility for devising and executing programmes, (e.g. housing and planning), although subject to central direction and help, financial or technical, matters are dealt with by direct contact between the ministry concerned and the local authorities by general circular or letter, supplemented by individual contacts. There may, however, be local offices for specialized functions (e.g. audit and air pollution control in the case of the Ministry of Housing and Local Government).

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- 46. In the case of a highly developed technical service where the local authorities only carry the direct responsibility for some of the functions, the pattern of organization may be more complicated. The organization chart for the National Health Service follows.
- 47. The form of decentralization in the United Kingdom appears to be nearest to the system described as the "partnership system".





SECTION J. UNITED STATES OF AMERICA

Patterns of decentralization in the United States of America*

Basic data

- 1. The United States of America covers an area of 3,615,210 square miles and has a population of about 185,000,000. The urban population constitutes 70 per cent of the total; 20 per cent of the total population is classified as rural non-farm and 10 per cent as farm. Twenty-eight per cent of the total population lives in 130 cities of 100,000 or more inhabitants, and about 10 per cent lives in five cities New York, Chicago, Los Angeles, Philadelphia and Detroit each of which has over a million inhabitants.
- 2. The population is relatively mobile. Half the population has a different residence than it had five years age, a tenth is living in a different county of the same state and a tenth in a different state, and a fourth of the native population lives in a state other than that in which they were born. Such a degree of mobility reduces citizens' attachments to particular local governments, often causes a rapid expansion or decline of a community or a dramatic change in the composition of its population, and strengthens the case for national concern with functions of lifelong duration or effect, such as social insurance, child health and education.
- 3. Twenty per cent of the total population is foreign born or born in the United States to parents one or both of whom were foreign born. The largest nationality groups of first and second generation Americans are, in order of size, Italian, German, Canadian, United Kingdom, Polish, Russian, Irish, Mexican, Austrian and Swedish. This foreign stock constitutes half or more of the population of some cities. Concentration of nationality groups in particular cities or sections of cities affects politics at all levels, often sharpens urban-rural, city-state and city-suburb conflicts and speeds the ascent of relatively new Americans to high governmental positions in cities, then states and ultimately the nation.

Structure of government

- 4. The governmental system of the United States is federal, presidential and multi-party (but principally two-party). National, state and local legislators are elected by the people and serve two, four, or six-year terms. Chief executives (President, governors, mayors) are elected by the people for two or four-year terms. The Federal Government and each of the fifty state governments has its own administrative organization reaching into the field, and similarly the Federal and state governments have their own hierarchies of courts (although the United States Supreme Court accepts some appeals from State Supreme Courts).
- 5. The field administration system of the national government and of each state government consists of distinctive field administration areas for the various technical services.

-207-

^{*} Prepared for the Working Group on Decentralization by James W. Fesler, Cowles Professor of Government, Yale University, New Haven, Connecticut.

- 6. There are nearly 90,000 distinct units of local government an average of almost 2,000 per state. The principal local units with general powers are the 3,000 counties and the 17,000 municipalities (cities, boroughs, villages, and most "towns"). There are also 17,000 townships (and some "towns"), which have very minor functions, are characteristic of rural areas and are found in less than half the states. Iocal "special districts", designed usually to perform a single function, number about 50,000. Of these, 35,000 are school districts operating separately from the general-purpose local governments; most of the other special districts are concerned with fire protection, soil conservation, drainage, cemeteries or housing.
- 7. Governmental expenditures in 1960 (in \$1,000 millions) were as follows:

	Total	Grants to other Govern- ments	Expendi-	National Defense and International Relations a/	Propertical Expenditures
All Governments Federal Government State and Local Governments -State Governments -Local Governments	97.3 ··· 61.0 ··· 31.6 ···		90.3 61.0 22.3		

a/ Includes interest on the largely war-incurred national debt.

8. Governmental employees in 1960 were as follows:

	Millions of persons Percentages
Civilian public employees Federal Government	2.4
-State Government	1.6 18 4.8 55
-Counties -Municipalities -School districts	1.7
-Other (townships and special districts)	

b/ The \$7 billion of Federal grants to other governments are not separately counted toward the "All Governments" total, as they are already reflected in the expenditure figures of the state and local governments and so in the "All Governments" total.

Field administration

- 9. At all governmental levels the United States uses distinctive field administration areas for the various technical services. The practical and juridical effect is to fix responsibility for administrative results on those responsible for substantive programmes, and so to emphasize the functional hierarchy. Co-ordination within each geographic area is treated as a secondary problem, to be met by mutual accommodation in the field (sometimes aided by inter-agency committees concerned with specific problems and by other facilitating arrangements) and by reporting of friction up the functional hierarchy to Washington or the state capital, where officials of functional agencies may negotiate necessary adjustments or obtain settlement by higher authority.
- 10. Administrative functionalism is balanced by political "arealization": political party organization and legislative representation both rest on area. Men necessarily dependent on local area opinion for election, and therefore attentive to it, serve as legislators and political committee members at higher levels. The local citizen, confused by functional complexity or irritated by poor inter-agency co-ordination, often writes or talks to the legislative or party representative from his district. The resultant "errand-boy" phase of a legislator's role improves access for ordinary citizens to the appropriate central administrative agencies, thus both "humanizing" administration and prodding agencies to correct field policies and procedures that provoke public complaint.
- 11. National departments (i.e. ministries) rarely have integrated field services using common areas. The Department of Health, Education, and Welfare appears to be so organized, with nine regional offices, and, at the centre, an Office of Field Administration, but the technical services are highly professionalized and provide the technical direction of their field activities; the Department's Food and Drug Administration has its own eighteen district offices. In the Department of Agriculture there are no regional representatives of the Secretary; instead, for example, the Soil Conservation Service has its fifty "state" offices and 290 area offices, and the Forest Service its own ten regional offices. The Department of Commerce has thirty-three departmental offices, largely for dissemination of information. But the Department's Bureau of the Census has its own seventeen regional offices; its Coast and Geodetic Survey, its own thirteen district offices; and its Bureau of Public Roads, ten regional offices. The Department of Labor and the Department of the Interior (the latter concerned with mineral resources, water and power development, national parks and Indian affairs repeat this pattern; the Department of the Interior, however, has Departmental "field committees" in six areas, composed of the ranking area officials of the several bureaux and intended to facilitate field co-operation.
- 12. In the individual states, despite the smaller area involved, field administration is carried out through distinctive technical-service structures. There is no master set of state government field areas, nor are there any area directors charged with co-ordination of state activities. In the state of Michigan, for instance, twenty-four of the principal departments and agencies have a total of forty-seven field organizations; e.g. the State Department of Agriculture has eight and the Department of Conservation, six. Counties are legally multi-purpose sub-divisions of the state for state

-209- /..

purposes, but their administering boards and officials are locally elected or appointed; counties are regarded as local governments rather than as field co-ordinators of state administration.

Local authorities

- 13. The fifty states range in area from 1,200 (Rhode Island) to 586,000 square miles (Alaska) and average 71,000 square miles. In population they range from Alaska's 226,000 to New York State's 17,000,000. Their average population is 3,586,000.
- 14. Counties range in area from 22 to 20,000 square miles and in population from 226 to 6,000,000; the average county population is 44,000. Three states have no counties.
- 15. Municipalities (cities, boroughs, villages and most "towns") range from a few square miles to Los Angeles: 450 square miles. The population varies from a few families to New York City's 7,710,000 people.
- 16. Township governments are found in only twenty-two states and most of them are for populations of less than 1,000. Three-fourths of the township governments perform only a limited range of services and those are for predominantly rural areas.
- 17. Of the special districts, three-fourths are school districts. Seven states contain over half of the total school districts in the nation. However, the 1961 national total (35,000) is only a third of the 1942 total (109,000), and further consolidations are occurring. Half of the school districts have fewer than fifty pupils; most operate only one school.
- 18. Three-fifths of the special districts for purposes other than schools are found in nine states: Illinois has 1,800 and California, 1,650; at the other extreme, West Virginia has 32, and Pennsylvania, 34. A few special districts are interstate (e.g. the New York Port Authority, established by compact between New Jersey and New York State).
- 19. Central-local relations are governed by the legal doctrine that local governments are the creatures of the state (i.e. one of the fifty states). A local government's creation, areas, powers, limitations and susceptibility to state supervision and alteration are therefore dependent upon the state constitution and state statutes. The state constitution may provide (and does in twenty-three states) for "constitutional home rule" for cities and towns that qualify for it; it may also restrict the state legislature's power to pass "local legislation" and "special legislation" that could otherwise be addressed to only one or a few named towns or cities. Under constitutional home rule, the local citizens may organize a local government and adopt and alter their own charters by popular vote. This is not "state-local federalism": the state legislature can still legislate on local matters provided its enactment applies to all municipalities or to all those within a stated population range. Recently, the home-rule principle has been extended to counties in some states, although traditionally counties have been regarded as more closely related to state functions than are cities and towns.

- 20. Local autonomy, central control and partnership are all aspects of American state-local relations, though partnership is most nearly descriptive. Local autonomy has the weighty support of American traditional values; "grass-roots democracy" and fragmentation of power through decentralization are parts of the American creed that trace back to the Founders of the Republic. Counterbalancing this ideology are the nationalization of problems by technological and economic advances, the high mobility of the people and the wide sharing of norms of public policy that national or state majorities are unwilling to have subverted on the excuse of local autonomy.
- 21. The apportionment of seats in state legislatures has given undue weight to sparsely settled rural constituencies and small towns. The interests of urban populations are therefore poorly accommodated, and city governments, especially those of major cities, find state legislatures both unsympathetic to their needs and indisposed to grant substantial autonomy to them. Urban leaders often turn to the national Congress, many of whose members must be attentive to the urban vote. The Federal Government may therefore undertake city-benefiting programmes directly or induce states co-operation by offering grants-in-aid.
- 22. Federal-state-local relations are not based on clear-cut allocation of distinct functions to the three levels. Instead, all three levels participate in interlocking fashion in each of the principal domestic programme areas of governmental activity (except the postal service).
- 23. Rural local authorities include counties (though some are urban), townships and some special districts. The traditional functions of counties are law enforcement, judicial administration, road construction and maintenance, public welfare (assistance to the indigent), the keeping of records and, sometimes, school administration. The township (except in nine states) has lost most of its functions and is now used primarily as a district for election administration or for the assessing of property. Half of all special districts (other than school districts) are used for fire protection, soil conservation and drainage.
- 24. Local councils vary greatly in size. City councils may have five to perhaps fifty members. The boards of county commissioners commonly have three to five members. New England towns usually have three selectmen. All members of governing councils and boards are popularly elected, usually by districts under the "weak mayor-council" plan (see below) but often "at large" under the other plans.
- 25. The local chief executive is an elected mayor, a commission or a manager. An elected mayor may be weak, as is the case when the city's other administrators are also popularly elected or appointed by the council and when the council has administrative committees. Or he may be strong, as is the case when he is the only elected administrative official, has appointive and removal powers and exerts policy leadership. Some cities have the "commission plan", under which perhaps five commissioners are popularly elected and each then heads an administrative department as well as serving on the policy-making commission; the commissioner chosen as mayor has in that role only ceremonial duties. Under the council-manager plan, the mayor (popularly elected, or often chosen by the council) also has only ceremonial duties; the council, of five to nine members, appoints a "city manager" to serve as the professional chief administrator subject to council removal at any time; the manager appoints his department heads.

- 26. Over half the American cities (of over 5,000 population) use the mayor-council plan; the weak mayor form is common in small cities and villages; the strong mayor form in large cities. The commission plan, an anachronistic survival from an earlier era of municipal reform, is used in 9 per cent of cities and the council-manager plan in 38 per cent. A major city (e.g. over 500,000 population) needs leadership in policy formation and in communication to a large and varied electorate; the strong mayor can usually provide this better than a non-political city manager. Some major cities have recently introduced the mayor-manager plan, under which a strong mayor appoints a professional manager (though the title varies) to serve under his direction and, usually, at his pleasure.
- 27. Counties usually lack a single chief executive, and often some officials are substantially independent of the board of county commissioners. A few counties have introduced a chief administrative officer, roughly comparable to a city manager.
- 28. Most local governments lack genuine personnel systems covering all employees. Appointments to many positions are political; often only local residents are eligible for employment. Three exceptions are to be noted: (i) city managers move from city to city as professionals and have their professional association; (ii) the Federal Government requires merit-system recruitment of those state and local employees who are paid in part with Federal grant-in-aid funds for such programmes as highways, public assistance and public health; (iii) technically competent personnel have become increasingly essential for adequate performance of some state and local functions; this fact has stimulated the hiring of professionally qualified persons, even in the absence of formal civil service requirements.
- 29. Iocal authorities in 1960 had a total revenue of \$37,000 million. Of this, about \$4,000 million was from governmental enterprises (utilities and liquor stores) and insurance trust funds. Apart from this, total general revenue was \$33,000 million, of which \$10,000 million represented grants from the states and the federal Government. Of the \$25,000 million of revenue from local sources, \$16,000 million came from property taxes, \$3,500 million from current charges (e.g. for school lunches, hospital services, public housing rents) and \$1,300 million from taxes on sales and gross receipts (e.g. general sales taxes, taxes on private utilities). The balance was from a miscellany of taxes and charges (e.g. motor vehicle and operators license fees, local parks and recreation use fees, air transportation tax).

Central-local relations

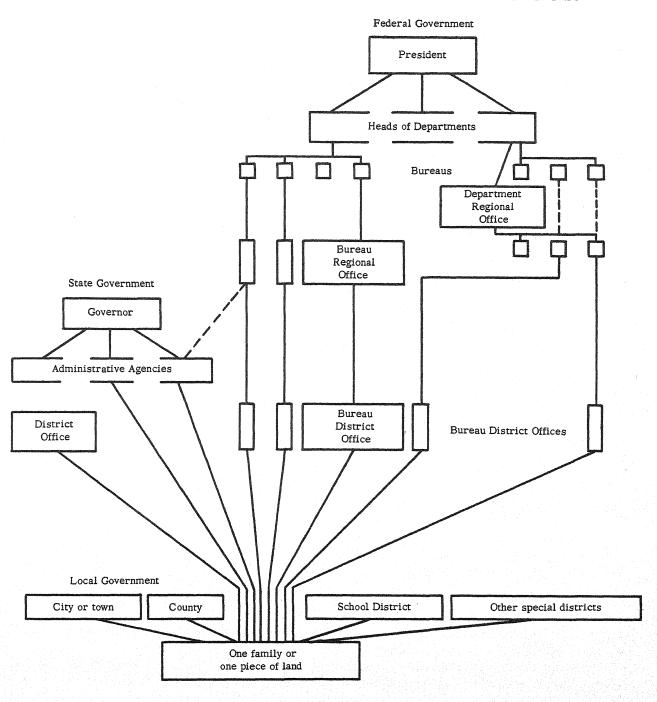
- 30. The degree of rationality in decentralization to field units and local authorities in the United States is principally produced by the aggregate of statutes and administrative decisions in a great variety of programmes and agencies. It is only in the broad sense of the total political system or in the narrow sense of a typical or temporary arrangements, that one can speak of central institutions for fostering rational decentralization.
- 31. The general political system has formal institutional elements that tend to discourage decentralization to local authorities. The judiciary is inclined to interpret the Federal and state constitutions favourably to the higher

-212- /..

- governmental levels. The system of taxation gives higher governments the remunerative income tax and sales tax, leaving local authorities proportionately more dependent on the less satisfactory property tax. State constitutions, by setting a maximum limit on the tax rate and public debt that a local authority may choose, unintentionally encourage both financial dependence on higher governments and multiplication of "special districts". State constitutions and statutes have failed to stimulate or require areal adjustements and consolidations of local authorities; grant-in-aid programmes reduce local motivation for such reforms.
- 32. Certain institutions fostering rational decentralization (including central control) do exist. The Advisory Commission on Intergovernmental Relations, established by Federal statute in 1959, has twenty-seven members, including certain members of the President's Cabinet and the Congress, state governors and legislators, mayors and county officers. Its duties are strictly those of research, discussion and advice. A sub-committee in each house of Congress is specifically concerned with intergovernmental relations. A Department of Urban Affairs has been proposed for the Federal Government.
- 33. Technical assistance by the national and state governments to local authorities is very substantial. Research and publications, model ordinances and codes and personal visits abound. Some state governments have modest offices of local government affairs. Grant-in-aid programmes are for specific functions and often require matching of the grants from tax revenues of the recipient governments. Federal grants and some state grants often prescribe conditions to be met, including minimum standards of substantive policy, form of administrative organization and competence of personnel. Reports, inspections and review of decisions serve to enforce the standards. Control and technical assistance operate through functionally specialized departments and bureaux of the higher government. In practice, a fundamental feature of the American system is the close relation among agencies that are of different governmental levels but in the same functional specialty; shared programme goals and professional skills create a community of interest that to some degree bypasses chief executives and legislative bodies.
- 34. Governments and professional administrators have many voluntary associations through which experience is exchanged and shared concerns are communicated to higher levels of government; these associations include the Council of State Governments, the American Municipal Association, the US Conference of Mayors and the American Society for Public Administration, as well as state leagues of municipalities and county officers' associations. State labour commissioners, public welfare commissioners, attorneys general and utilities commissioners, among others, have national associations, and there are also associations embracing administrators of particular fields of service regardless of governmental level.
- 35. Generalized statements necessary in a summary description of central-local relations need the qualification that no two states are alike. California contains more Federal Government civilian employees than Washington, DC, and its environs. New Jersey and North Carolina have about the same proportion of full-time state-and-local employees per each 10,000 of population (280 and 266). But New Jersey has fifty-three state employees and 227 local employees per 10,000 people, while North Carolina has 199 state employees and

sixty-seven local employees on the same basis. The division of tax revenue between the state and the local governments varies from a state-government share of 82 per cent in Hawaii to 28 per cent in New Jersey. Federal grants-in-aid to Alaska and Wyoming total about \$150 per capita, but to New Jersey only \$19 per capita.

PATTERN OF DECENTRALIZATION IN THE UNITED STATES OF AMERICA



SECTION K. FEDERATION OF NIGERIA: WESTERN NIGERIA

Pattern of decentralization in Western Nigeria*

Basic data

- 1. Western Nigeria is one of the constituent states of the federation of Nigeria. Apart from certain federal ties, it is an autonomous state with its own legislature, cabinet, judiciary and civil service organized into ministries. Under the Federal Constitution, local government is a state function. Thus, in the context of this description, the Central Government is the Government of Western Nigeria.
- 2. The total area of Western Nigeria is 45,376 square miles. The latest population figure (1959) of 6,861,000, is an estimate based on a census taken in 1952 when the figure was given as 6,087,000. The pattern of settlement is in two broad divisions. One is the Yoruba area, inhabited by 5,174,000 people speaking various dialects of the Yoruba language and congregating in such large cities and towns as Ibadan (459,000), Ogbomosho (140,000), Oshogbo (127,000), Ife (11,000), Iwo (100,000), Abeokuta (84,000), Ilesha (72,000), and Oyo (72,000). These people are traditionally farmers and traders, but since the advent of Western civilization, they have become engaged in other occupations, such as white-collar jobs under the Government and in mercantile houses and jobs in transport, on plantations and in factories.
- 3. The other broad division is the mid-western area. Here, there are five distinct ethnic groups (Edo, Urhobo, Ijaw, Ibo and Itsekiri), with a total population of 1,687,000. The area had no administrative significance until a few years ago when it was declared a "minority area" by a Commission of Inquiry appointed by the British Government. Since then an attempt has been made to administer it as a co-ordinated unit. Political events have moved very fast, however, and the stage has now been reached in which a separate state for the area is being actively contemplated. In the meantime, the same pattern of decentralized administration and of local government is found there as in the rest of the country. Of the people in the mid-western area, the Edos, the Ibos and the Urhobos are traditionally farmers and traders, but the Ijaws and Itsekiris are fishermen. Recently, rubber planting, lumbering, transport and white-collar jobs have been added.
- 4. According to the census of 1952, the percentage of illiteracy in the country was very high (92 per cent), but a determined effort has since been made to reduce it by adult education and by a system of universal primary education. Tribal affiliations are still sufficiently strong to be of real significance in administration, but there are influences which in recent times have tended to break them down. One is higher education at the secondary school, technical college and university levels. Another is a rapidly increasing system of roads and other means of communication. Another is the ballot box which gives a new importance to remote areas and increases the scope of political transaction

Prepared for the Working Group on Decentralization by Chief J.M. Beckley, Permanent Secretary, Ministry of Local Government, Ibadan.

-216- /..

between them and other parts of the country. Yet another is the determined effort to tap, as much as possible, the economic resources of the country, thus increasing the mobility of commodities and incidentally of people.

Structure of Government

- 5. Parliamentary democracy is the basis of government at all levels. But because the tradition of chieftaincy is so deeply rooted, provision is made for chiefs to take active part in the Legislature through a second chamber called the House of Chiefs; in the Cabinet, as Ministers without Portfolio; in the Judiciary, as Presidents of Customary Courts; and in local government as non-elective traditional members of councils. A multi-party system has developed with the introduction of the ballot box; elections to the Legislature of the Central Government and to local government councils are on a party basis.
- 6. The work of the Central Government is organized mainly in ministries which have their headquarters in Ibadan, the capital. These are the Premier's Officer (including the Cabinet Office), the Treasury and the Ministries of Agriculture and Natural Resources, of Local Government of Chieftancy Affairs, of Home Affairs, of Justice, of Economic Planning and Community Development, of Health and Social Welfare, of Works and Transport, of Lands and Housing, of Labour, of Trade and Industry, of Education and of Information. There are, in addition, certain non-ministerial departments, such as the Public Service Commission, the Judical Department and the Local Government Service Board. The headquarters of each ministry is organized on the pattern of Whitehall, with a politically appointed Minister and Parliamentary Secretary and with career officers headed by the Permanent Secretary and grouped into administrative and technical divisions as appropriate.

Field administration

7. Before ministerial government was introduced in 1951, the field work of the Central Government was carried out in common areas known as provinces and divisions, a province containing two, three or four divisions. There was a senior administrative officer in charge of a division and a resident in charge of a province. The resident co-ordinated all administrative and technical services in his area and was also responsible for the proper functioning of local government. The number of divisions in and the area and population of the eight provinces are as follows:

Province	No. of Divisions	Area (sq. mi.)	Population
Abeokuta	2	4,266	714,000
Benin		8,482	1,015,000
Colony	- 1	1,354	268,000
Delta		6,440	672,000
Ibadan	2	4,521	1,859,000
Ijebu	2	2,456	391,000
Ondo	경기를 가는 다른 시간 사용 보다 보고 있다. 	8,162	1,064,000
Суо		9,695	878,cco

8. Since the introduction of ministerial government, this pattern of decentralization has changed. The post of resident has been abolished and each ministry organizes its field services into areas best suited to it. Although the old units called divisions and provinces are still referred to, they no longer form the basis of organization and any co-ordination which is necessary is done at headquarters rather than at the local level. The distinctive areas of the field organization of some of the ministries are given in Table 1.

Table 1. Areas of field organization

Area	Constituent Units	Headquarters town	Area (sq. mi.)	Population	No. of senior staff employed
Agric	cultural extension services:				
1	Benin and Delta provinces	Benin	14,922	1,687,000	5
2	Ondo Province, Ife and Ijesha divisions	Akure	9,930	1,370,000	5
3	Ibadan and Oyo provinces	Ibadan	14,216	1,737,000	5
4	Abeokuta, Colony and Ijebu provinces	Abeokuta	8,076	1,373,000	5
Medi	cal and health field service:	s: <u>1</u> /			
1	Abeokuta, Colony and Ijebu provinces	Abeokuta	8,076	1,373,000	47, including 18 doctors
2	Ibadan, Oyo and Ondo provinces	Ibadan	22,378	3,801,000	45, including 16 doctors
3	Benin and Delta provinces	Benin	14,922	1,687,000	43, including 15 doctors
Educa	ation services:				
1	Colony and Ijebu provinces and Egbado division	Ijebu-Ode	5,967	90,000	
2	Ibadan Province and Egba Division	Ibadan	6,630	2,276,000	
3	Oyo Province and Oshun Division	Оуо	11 , 995	1,744,000	
4	Ondo Province	Akure	8,162	1,064,000	
5	Benin Province	Benin	8,482	1,015,000	
6	Delta Province	Warri	6,440	672,000	

In addition there are: (a) Adeoyo hospital, with 39 senior staff, including 17 doctors; this large hospital at headquarters is treated as a separate unit; and (b) specialized control services, e.g. for tuberculosis, leprosy, and mental health, and a mobile field unit.

- 9. It is obvious that this divergence in the area of field organization makes co-ordination at the local level difficult. It is at the headquarters level that various devices are used to co-ordinate efforts. These devices include:
 - (a) the Cabinet, which has joint responsibility for deciding the policy carried out by every department;
 - (b) the institution of the Head of the Service, whose main function is to guide heads of departments with his own experience and knowledge based on contact with members of the Cabinet. This enables him to see the broad picture and to serve as a link between departments;
 - (c) financial control through the Treasury;
 - (d) the collating of departmental development plans into one master plan by the Ministry of Economic Planning and Community Development;
 - (e) inter-departmental conferences, including a monthly meeting of permanent secretaries and a similar meeting of heads of professional divisions in Ministries;
 - (f) the maintenance of a uniform standard of appointment and of discipline inside the civil service by the Public Service Commission.
- 10. Departments within the same Ministry use common areas, e.g. Medical Service and Health Service, Education Administration and Education Inspectorate. Senior officers are, without exception, career officers who are liable to be posted from one area to another or to headquarters.

Local authorities

- ll. When the present local government structure was created, great regard was paid to the feelings of local groups, and wherever such feelings took the form of a demand for a separate local government council, an attempt was made to meet it. The result was a structure on four levels: area committees at the lowest level, local councils next, then district councils and finally, divisional councils. The Area Committee is the equivalent of the Parish Council in England, and its area usually covers a village or a group of two or three villages. It has no statutory powers but provides a useful forum for a small, closely knit group to make their voice heard in the local government of their area and sometimes to initiate small development schemes of a communal village improvement type.
- 12. The local council is created by a legal instrument which lays down its composition and functions. Some of the functions are obligatory, others are permissive; they include maintenance of roads, control of markets and motor parks, maintenance of traditional offices of chiefs and disposal of refuse. As a rule, a local council is not a rating authority but is associated with either an all-purpose district council or a divisional council which is empowered to collect rates. An annual grant is paid by this rating authority to the local council from which its expenses are met. Local councils vary in size, but they usually cover the area of a small town or a group of villages which have close affinity and desire to carry on local government as a distinct body.

-219- /..

- 13. The district council is the most typical council. It can be an all-purpose council, in which case it will be a competent authority for a long list of functions enumerated in the Local Government Law, including rating, education, water supply, maintenance of roads and bridges, health and customary courts. A district council can also be one with limited functions, in which case it joins with other district councils or local councils to form a divisional council, with responsibility for performing the functions not assigned to the constituent councils. The size of the district council varies greatly. It may cover a township area of about three miles radius or a rural area three or four times that size. The aim in setting up such a council is to have an authority which, as far as possible, will cover a homogeneous area and at the same time will be large enough to be viable.
- 14. The divisional council is the largest unit. It is usually organized where, by tradition, the people of a wide area, such as a division, have been in the habit of working together for a long time, either because they have been subject to the same paramount ruler or because they have tribal ties which are still recognizable and which continue to bind them together effectively. In size, divisional councils range from 646 sq. mi. and a population of 6,529 in the Epe Divisional Council, to 2,645 sq. mi. and a population of 280,995 in the Ondo Divisional Council and 7,927 sq. mi. and a population of 438,326 in the Cyo Divisional Council. Where the constituent councils are local councils, the divisional council is usually given the power to levy rates and to allocate agreed proportions to its members. Otherwise, the members levy rates and pay precepts to the divisional council for the functions which it is called upon to perform on behalf of everybody, such as education, works, customary courts and the maintenance of the traditional office of chiefs.
- 15. Divisional councils are unpopular and are gradually dying out. It would appear that old ties are weakening. Moreover, in the general race for social improvement, it is difficult to share amenities in a way that would satisfy everybody. Government servants deplore the disappearance of the divisional councils because they are the only units large enough to provide efficient organization for such services as education, public works and health. There is a groping towards the establishment of service authorities which will cover similar areas but will avoid the political odium which divisional councils have earned.
- 16. Every local government council consists of the following members:
 - (a) a President, who is the paramount chief;
 - (b) a number of traditional members, some of whom are permanent members, while others are elected every three years by an electoral college of chiefs of their own grade;
 - (c) members elected by popular vote: the numbers vary in each case according to the size of the council area, but the general idea is that each ward should contain approximately 500 qualified electors and should be represented on the council by one councillor.

Under the Law, the traditional members, i.e. the chiefs under (b), cannot constitute more than one-third of the elected members.

- 17. With the exception of the President and permanent traditional members, all seats are declared vacant every three years. Those chiefs who come within the election range are elected by their electoral colleges; the elected members are chosen by universal adult suffrage along party lines. At the first meeting of a newly elected council, a chairman must be appointed. He may be one of the chiefs or one of the elected members. At the same meeting, various committees are chosen, such as the finance committee, the education committee and the public works committee.
- 18. Election to divisional councils is indirect through their constituent councils. Each divisional council has:
 - (a) a President, usually the paramount chief;
 - (b) traditional members, some of whom are permanent and others elected triennally by electoral colleges;
 - (c) representatives of constituent councils elected from amongst the members, both elected and traditional.
- 19. The composition of some of the councils is illustrated in Table 2.

Table 2. Composition of some councils

Name of Council	Level	Composition	No. of Wards
Ipara Local Council	Small	President 3 traditional members 12 elected members	12
Cde-Itsekiri Local Council	Large	7 traditional members 21 elected members	21
Ijebu Northern District Council	Small	President 2 traditional members 11 elected members	11
Iwo District Council	Large (mostly rural)	President 16 traditional members 51 elected members	51
Ikorodu Divisional Council	Small	President 8 traditional members 24 elected members	Indirect election by four Local Councils
Egba Divisional Council	Large	President 18 traditional members 87 elected members	Indirect election by six District Councils

- 20. Local government councils draw their revenue from three sources, the most important of which is rate collection. Recently, the Central Government has allowed councils to collect income tax as well and to keep what they collect. The second way by which they raise funds is through fees, e.g. court fees, fees for various licences and permits and market and motor park dues. The third source consists of grants paid by the Government, including:
 - (a) grants-in-aid for staff wages;
 - (b) education grants consisting mainly of 100 per cent of teachers' wages;
 - (c) road grants, for roads maintained on behalf of the Central Government;
 - (d) health grants, for children under 18 years of age treated in local authority dispensaries and clinics;
 - (e) equalization grants paid by the Government to bring the revenue of every council up to the mark recorded for the year 1959-60, after which year the Central Government instituted a new tax policy which meant a loss of revenue to rating authorities;
 - (f) police grants, to pay half the recurrent expenditure on local government police.
 - 21. The need for substantial grants from the Government is obvious. The level of rates charged by councils is only 9d in the pound, and it is only in special circumstances that extra capitation tax for special purposes, such as street lighting and water supply, is levied. The main sources of revenue, especially through custom duties, etc., are in the hands of the Central Government, and it is considered that it is by way of grants and subsidies that amenities can be carried far and wide into the rural areas.
 - 22. The staff of local government councils are separate and distinct from the Civil Service of the Central Government. They are divided into two sections, one of which is referred to as the Unified Service, because members of it are centrally deployed and can be transferred from one council to another according to the discretion of the local Government Service Board. The other section consists of the more junior staff, earning below £345 per annum, who are not liable to be transferred from one council to another. In fact, they do not come within the jurisdiction of the local Government Service Board at all. Their conditions of service are, however, carefully laid down in staff regulations approved by the Central Government, including regulations for retirement benefits.
 - 23. The local Government Service Board came into being only a few years ago. It consists of a chairman, one full-time member and two part-time members. It is responsible for the appointment, posting and discipline of the executive grades, e.g. secretaries, treasurers and local education officers, all of whom earn £345 a year or more. There is a suggestion that the Local Government Service Board should also be responsible for the appointment and discipline of the more junior staff, even though they are not liable to transfer from council to council. It is considered that this will make for better discipline and greater efficiency in local government service.

Central-local relations

- The main concept underlying the relationship between the Central Government and the local authorities is that of partnership. It is considered that certain services, such as running hospitals and organizing agricultural extension services, can best be rendered by the Central Government and should therefore not be attempted by local government councils. Other services, such as the maintenance of roads, the higher grades of which fall to the Central Government and the lower to the local authorities, are run concurrently by the Central Government and the local authorities. The third group of services are those which fall entirely to the local authorities; these include such services as the control of markets and motor parks, the maintenance of water supply and cemeteries and the regulation of chieftaincy matters. Whether a service is run concurrently or not, the technical field officers of Government are expected to take an interest in what local authorities do and to supervise them as much as possible in order to see that the minimum standards laid down by the Central Government are maintained.
- The main link between the Central Government and the local authorities is the Ministry of local Government, which has its headquarters in Ibadan, side by side with the headquarters of other ministries. It also has a field staff of local government advisers, organized in the manner already indicated in paragraph 8. The main work of the Ministry is to see that the councils carry out their day-to-day work according to the provisions of the Local Government Law, which is a detailed law touching all aspects of the work of local government councils. is through this Law that control is exercised by the Central Government. For instance, a council which fails to discharge its functions, in spite of all efforts by the field staff to advise and encourage it, can be declared in default under the law and be dissolved. It is also under the law that financial control is exercised, through approval of annual estimates by the Ministry. Recently, the Ministry has granted financial autonomy to councils judged to be sufficiently responsible to have it. This means that the estimates of such councils will not be subject to the scrutiny and approval to which the estimates of other councils are subjected. Staff regulations, both for the Unified Service and the non-unified, are also prepared and applied under the Local Government Law.
- 26. It will be noted that the field staff of the Ministry are called local government advisers. Their main function is advisory, but they also do a certain amount of inspection work and their reports to headquarters enable the Minister to evaluate the work which various local government councils are carrying out and to determine whether the grants which are being paid to them are being used to advantage.
- 27. Other ministries are free to approach local authorities on matters which relate to their own functions. The Ministry of Agriculture and Natural Resources, for instance, through its field staff, can work in co-operation with councils without necessarily going through the Ministry of Local Government; but by and large, ministries find it advantageous to discuss any scheme which is going to touch the work of local government councils with the staff of the Ministry of Local Government. This enables them to make quite sure that there will be no infringement of rules and regulations and that if a by-law is necessary, one will readily be approved.

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28. In conclusion it must be emphasized that the basis of decentralization in Western Nigeria is that of partnership. It is believed that that is the best way by which a large measure of participation by local people in the work of Government can be achieved. Opinion is divided as to whether more functions should be transferred to local government councils in their present stage of development. It seems probable that the idea of a partnership weighted on the side of the Central Government will continue for quite some time.

Local Government Service Board LEVELS OF COUNCILS AND THEIR INTERRELATIONSHIP IN WESTERN NIGERIA Area Committees Local Councils Ministry of Local Government Divisional Councils Area Committees District Councils with limited functions Area Committees All-purpose District Councils

SECTION L. YUGOSLAVIA

Patterns of decentralization in Yugoslavia*

Basic data

- 1. The Federal People's Republic of Yugoslavia has an area of 255,800 square kilometres (98,700 square miles) and a population, at the census of 1961, of 18,500,000.
- 2. The Federation consists of six republics: Serbin, Croatia, Slovenia, Bosnia-Hersegovina, Macedonia and Montenegro. In Serbia, where large areas are inhabited by national minorities, two autonomous areas have been created, the Autonomous Province of Vojvodina and the Autonomous Region of Kosovo-Metohije. There are seventy-five districts in Yugoslavia; Montenegro, the smallest republic, and the Kosovo-Metohije Region have no districts.
- 3. The basic local government unit is the opstina (municipality), of which there are 774 in the country. They are so formed that each area has an industrial nuclei, or an economically and socially well-developed unit, as the centre around which the rural area turns, constituting a social-economic unit. At the end of 1961 there were 150 municipalities with a population of up to 10,000 each; 265 municipalities with a population of from 10,000 to 20,000 each; 163 municipalities with 20,000 to 30,000; 131 with 30,000 to 50,000; and 65 with over 50,000 each. During 1962 a further reduction in the number of municipalities took place, indicating a continuous process of seeking the optimal size of municipality as the basic economic and social self-governing unit of the Yugoslav community.

General patterns of decentralization

4. Decentralization in Yugoslavia represents a process that has taken dynamic forms and rates of development, especially since the introduction of workers' councils in factories in 1950. The widest possible participation of the working people in governing public affairs, first of all, through different self-governing bodies in socially owned economic organizations, and secondly, in the municipalities, has been the main principle in the development of the political system in Yugoslavia in recent years. But the urgent reconstruction of the national economy, up to a third of which, in certain fields, was destroyed during the war, and the need to industrialize the country in the shortest possible time, made it very difficult, in the early post-war period, to decentralize to a sufficient extent and to adopt the means for effective self-government. International tensions were another obstacle to harmonicus development in this direction. Nevertheless, a fuller

-226-

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^{*} Prepared for the Working Group on Decentralization by A. Vratusa, State Under-Secretary, Federal Executive Council, Belgrade.

implementation of the idea of building a society on the basis of autonomous self-governing units, from the factory and the municipality to the federation, has been gradually becoming a reality, first of all, in the economic field, owing, amongst other reasons, to the lasting progress made in the national economy. More and more socially owned means could be entrusted to self-governing bodies in factories as well as in municipalities, to be managed directly by working collectives of people in economic organizations in the municipalities, both in their own interest and in the interest of the community as a whole.

In following these courses and ideas, it becomes evident that decentralization cannot be assumed to be a technical operation in the field of the administration. It consists of a process (the depth and pace of development of which depend on very different factors) involving, first of all, devolution of power, deconcentration of the administration being its function and consequence. Thus, democratization can be achieved only through devolution of power to the basic units of the society to the self-governing autonomous bodies in the economic organizations - and on different levels of territorial representative units. At the same time, a mechanism of a democratic integration of different functions (i.e., the economic and political system, planning and distribution of the national income on a national scale, including aid to the less-developed areas of the country) has to be developed. The purpose of this is to secure the political unity and stability of the country and its harmonious economic and social development and to effect a situation in which the basic self-governing units would have a maximum of autonomy in governing the affairs of their own competences, as well as a direct and indirect influence in the decision making of all higher governing bodies.

Basic principles of the political system

- 6. The political system of Yugoslavia is based on several basic principles. First, the representative bodies, which include the Assemblies in the municipalities, the districts, the republics and the Federation, are the highest organs of legislative and executive power. There is no vertical subordination of the lower representative body to the higher one. Each is autonomous within the framework of its own competence.
- 7. The functions of sovereignty are performed by the working people in the basic units of political power the local Assemblies and the self-governing bodies in the economic units and in the units of all public and social services. The Federal Assembly and the assemblies in the republics perform only functions of general interest to the community as a whole.
- 8. The district is becoming more and more an association of municipalities, its competences being composed of powers delegated to it by the republics and of functions entrusted to it by municipalities concerning problems of common interest.
- 9. The unity of the political system is secured by the Constitution, by the laws on self-governing institutions regulating their interdependence, and the rights and duties of everyone in them, and by the economic system which is based on the social ownership of the means of production and on self-management of each economic or social organization.

-227- /...

- 10. The Federal social plan ensures the harmonious economic and social development of the country, including an increase in the production of goods and a rise in the standard of living, as well as aid to the less-developed areas of the country. It has also foreseen the necessary economic and administrative measures for implementing these aims. The political and other social organizations (the Socialist Alliance of the Working People, the League of Communists, the trade unions, etc.) are also important in furthering the socialist development of the country.
- 11. The Federal Constitution, the constitutions of the republics, the statutes of the municipal and district Assemblies and the statutes and rules of the economic and other self-governing organizations, constitute the foundation and the limitations of all the activities of the governing and administrative bodies in Yugoslavia.
- 12. There are different forms and levels of self-government through which the producers in the economy, and all other citizens manage the economy and the political, social and public services and participate directly in all government bodies from the municipality upward. These forms of self-government include, first of all, self-management by the workers of factories and all other economic enterprises through Workers' Councils, which are elected by secret ballot, and through other management bodies in the factories. Then come the various forms of self-governing management of all public services education, health, culture, press, radio, etc. also through Workers' Councils elected by secret ballot. The representative bodies, which are composed of the delegates of the Workers' Councils (the House of Producers in the municipalities, districts, republics and Federation and Chambers for different branches of the economy, for social insurance, etc.), represent a vertical unifying system of self-government on a nation-wide scale.
- 13. The basic form of self-government on a territorial basis is the Municipal Assembly, which is the principal body of local self-government in the opstina, the basic social-economic and political unit in Yugoslavia.

- 14. The first chamber in the Assemblies of the municipalities, the districts, the republics and the Federation is chosen by secret direct elections; the second chamber, the House of Producers, is composed of delegates of the Workers' Councils.1/
- 15. The essential rights and duties of the citizen in this network of self-governing bodies consist of direct participation in managing the economic life and public services of the community. After fulfilling all his financial and other obligations to the community, the worker, in his working collective, decides on the distribution of income and earnings, both his own and those of his enterprise. All other democratic rights, such as the right to vote, the right to be elected to any governing body, freedom of speech, press, association, meetings, etc., flow from the essential rights in those spheres.
- 16. The representative bodies set up their own administrative organs and these function under their direct supervision. In the Federation and the republics, these administrative organs are formed by the respective Assemblies and Executive Councils and are responsible to them. The administrative organs of the Assemblies in municipalities are formed by the Municipal Assemblies and function under their guidance and direction. There is no dual subordination of administrative organs in Yugoslavia. The administrative bodies of the Federation and the republics have field offices in the local communities only for the administration of customs duties, internal affairs, state security and national defence and some inspection services and for the federal prosecutors.

These changes reflect the fact that the principle of self-government established in the economic field under the Constitutional Iaw of 1953 is being extended to other fields.

The purpose is: (1) to enable a more direct participation of the people in the decision-making at all levels; (2) to assure regular changes in the structure of all representative and higher executive bodies, with opportunity for new leadership to emerge; (3) to assure continuity in the work of law-making organs; and (4) to provide a constitutional system of government under law.

-229- /...

I/ The new Constitution of Yugoslavia, which was schedules for adoption early in 1963, introduces some noteworthy changes in the organization described above, especially: (1) indirect instead of direct elections for republic and federal assemblies: (2) four houses of self-governing organizations in the following fields - economic, cultural and educational, social-health and political administrative - instead of the House of Producers in republic and federal assemblies; (3) the prohibition of election to the same body for more than one four-year term, with one half of the members of each house elected every two years; (4) the creation of a constitutional court with power to decide the constitutionality of laws and executive measures; and (5) an orderly procedure for amending the Constitution.

- 17. Administrative organs are bound to co-operate on legal and other matters within the framework of their competence. Lower administrative organs may seek technical aid and advice from similar organs at higher levels, which in turn must give them the desired aid and advice. Higher organs may undertake such activities as the organization of seminars, courses and other forms of training and aid to lower ones. The federal administration, having responsibility for the fulfilment and implementation of federal laws, has the right to supervise and to request reports from the administrations of the republics and the municipalities on the execution of federal laws and directives. It may also request information and data necessary in its work, but federal bodies may not give orders to organs of the republics or lower organs since they have no direct authority over these organs.
- 18. The judicial system includes three groups of courts: the conventional criminal and civil courts, the economic relations courts and the military courts within the armed forces. The courts are fully independent within the framework of their legally determined competences. The district judges are named by the District Assemblies; the judges of the courts of the republics are named by the assemblies of the republics; and the federal judges are named by the Federal Assembly. All courts and judges function exclusively on the basis of laws adopted by the Federal Assembly.
- 19. The Constitution guarantees each component nation of the multi-national Yugoslav community equal rights and opportunities in the sphere of economic and cultural development. The structure of the Federal Assembly also guarantees equal participation in the political life of the state to all component nations and peoples. These equal rights include equal responsibilities to develop mutual aid in all areas of development.
- 20. The economic foundations of equality of all the peoples of Yugoslavia consist of their right to manage the means of production and to decide on the distribution of the national income and of the system of economic help to the less-developed republics, from a special federal fund that is created by the compulsory contributions of the more developed republics.
- 21. Under the conditions of the independent functioning and activities of numerous self-governing organizations in all spheres of social and economic life and on all levels, a firm public control over the legality of their activities is essential. The Constitution itself, as well as laws and other regulations, have foreseen the functions that have to be performed from the centre, especially in the economic field, in order to facilitate the natural trends of democratic integration in a modern socialist society on the basis of the largest possible autonomy of each self-governing body. Thus, a special mechanism was created to see that the rights and duties of every self-governing unit are fulfilled, in order to prevent tendencies toward bureaucratic centralism at the expense of the rights of self-governing units and tendencies toward local, selfish exclusiveness, especially in the field of economic relations.
- 22. Harmonious and uniform functioning of self-governing bodies is ensured, first of all, by laws and regulations which determine the rights and duties of all such bodies. A series of public agencies operates at different levels to supervise and ensure the proper and strict implementation of prevailing laws and regulations within the self-governing bodies and organizations. There is also a

-230-

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system of inspection for the various public services, especially financial inspection which supervises and controls the financial affairs of all self-governing organizations. Every important act of management in these organizations is subject to judicial procedure if it is in violation of laws or prescripts.

- 23. In the economic sphere, the uniformity of the system is determined, first of all, by the Federal Economic Plan, by the Law regulating the distribution of income and by other regulations. Through public accounting, which is an independent public service, the accounts of all enterprises are examined and all their transactions and expenses are checked for conformity with the law; at the same time, the necessary economic data for policy-makers is collected. The public accounting service does not have the authority to interfere in the financial activities of any enterprise but has the duty to inform the proper authorities about violations of legal regulations and to provide them with general data on their activities. The credit system of the banks serves as another instrument for ensuring the implementation of the economic plan. The granting of bank credits is co-ordinated with the concrete tasks of achieving the planned development and growth of the economy.
- 24. Other functions of supervision which the Constitution and federal laws have placed under the competence of the Federation itself include customs duties, public prosecution offices, public safety and major inspection services. The offices of these services are partially or fully under federal jurisdiction.
- 25. Customs and tariffs are the exclusive competence of the Federal Customs and Tariffs Administration, which has its customs offices in various parts of the country, especially at the border. The customs offices decide on all matters of customs duties and regulation of goods and passengers. Appeals on their decisions are made to the Federal Authority of Customs. The work of the customs service is supervised by the Federal State Secretariat for Finances. The responsible officers in the customs stations are appointed by the Director of the Federal Customs Authority.
- 26. The Federal Authority for Plant Protection and the Federal Authority for Veterinary Services have the same status and similar responsibilities at their border stations where they inspect incoming and outgoing plants and livestock. The Federal Authority for Weights and Measures and Precious Metals also has field administration offices at border-crossing points.
- 27. The Federal Public Prosecutor's Office must, by its nature, be centralized. The federal prosecuting authorities supervise the work of lower-level public prosecutors, who receive their directives from the Federal Office. Federal prosecutors have the right to carry out all activities assigned to lower-level prosecutors and have authority to transfer the specific tasks from one lower-level prosecutor to another. The Federal Public Prosecutor is appointed by the Federal Executive Council. He appoints and dismisses the public prosecutors of the Republics in agreement with the Executive Council of the respective republic. The Public Prosecutor of each republic appoints the District Public Prosecutors in agreement with the Provincial and Regional Executive Councils.
- 28. Bodies of public safety function at all governmental levels, from the Federation to the municipality. At the federal and republic levels, these bodies are responsible to, and must carry out the directives of, the respective Executive Councils. The local organs of public safety are responsible to, and must

-231-

carry out the directives of, the local Assemblies and their Councils for Internal Affairs. In carrying out their concrete tasks and law-determined functions, however, the lower bodies of public safety are responsible to the higher bodies.

- 29. The heads of local bodies for internal affairs are named by the Secretary of State for Internal Affairs in each republic, in agreement with the corresponding Assembly. The formation of local bodies of public safety at local level, and their locations and competences, are determined by the corresponding local government authorities in agreement with the corresponding State Secretary for Internal Affairs of the republic.
- 30. The sanitary and market inspection service, which has offices and branches in all localities and at all levels, is organized on the basis of responsibility of lower organs to the higher. In principle, however, this service and its personnel are responsible to the local government authorities on whose territories they function, and they receive their remuneration from the local authorities.
- 31. The higher bodies of inspection service are responsible for the organization and guidance of this inspection service, for the training of personnel and for supervising the activities of the lower bodies. The higher bodies receive reports on the work of the lower bodies, and the inspectors from the higher bodies may participate in the work of the lower bodies. Chiefs of the higher bodies are authorized to take disciplinary measures, for valid reasons, against lower personnel. The federal inspectors have the power to issue instructions to all lower bodies on matter of federal interest and these instructions must be carried out. The above-mentioned services will be the subject of further decentralization in the near future.

Central organs of government authority

- 32. The Federal Assembly is the highest body of authority of the Federation. It has exclusive competence to amend the Federal Constitution; to decide on matters of international relations and foreign policy, on the political and economic system and on national defence; and to adopt federal laws, the Federal Economic Plan and the federal budget. It elects its own executive organs, namely, the President of the Republic and the Federal Executive Council, both of which are responsible to it. It also names the judges in the Federal Supreme Court and the Supreme Economic Relations Court.
- The Federal Assembly consists of two houses, the Federal House and the House of Producers (see Figure I). The Federal House is made up of deputies elected on the basis of universal suffrage (one deputy for every 60,000 voters). In addition, the Assemblies of the republics each elect ten deputies to the Federal House from their ranks; the Vojvodina Provincial Council elects six and the Kosovsko-Metohija Regional Council elects four deputies. The first group, the directly elected deputies, numbering 301, represents the political unity of the Federation; the second group of seventy deputies represents the Federation as a community of equal nations of which the Federation is composed. This second group of deputies, elected by the Assemblies of the republics, meets separately on specific occasions as the House of Nationalities to discuss amendments to the Federal Constitution and by choice also to discuss the Federal Economic Plan and the general federal laws or other laws affecting the rights of the individual republics or the relationships between the Federation and the component republics. No law or decision may be passed on these matters without the agreement of the House of Nationalities.

- 54. The House of Producers is made up of deputies elected by workers and employees in factories, and by craftsmen and members of agricultural co-operatives, to represent specific branches of the economy (first, employees of industry, trade and handicrafts, and secondly, agricultural workers and farmers). The number of deputies to be elected by each group is determined by the contribution of each group to the national income over the three previous years.
- 35. Both houses of the Assembly have equal rights and competences in dealing with the following matters: amendments to the Constitution, the Federal Economic Plan, the Federal Budget and Federal laws in the spheres of economy, finance, labour relations, social insurance, health, education, etc. Iaws and decisions on these matters become valid when adopted by the two houses. The Federal House has competences which are carried out without the participation of the House of Producers. These are matters that do not affect the economy, labour relations, social insurance and electoral rights of the Assembly. The House of Producers has its own competence and rights to make proposals to the economic organizations, government organs and self-governing bodies on questions in the spheres of economy, labour relations and social insurance. However, such recommendations are made by the House of Producers in the capacity of a body representing all the producers and not as a body of government with the authority of the Federal Assembly.
- 36. The Federal Assembly is in continuous session, meeting in joint sessions of both houses, in sessions of individual houses and in permanent committees and commissions. The permanent committees of both houses, including those for foreign policy, organization, national economy, education, legislation, etc., together with other Assembly bodies, prepare bills on all questions for the Assembly, seek and examine reports from the Federal administration, etc.
- 37. The President of the Republic is elected from among the deputies to the Assembly and is responsible to it. He is not the Head of State in the sense of the conventional division of power; instead, he is entrusted by the Assembly to perform specific executive tasks in rights. At the same time he is the chairman of the Federal Executive Council, having the right of provisional veto on any decisions of the Federal Executive Council of which he does not approve, but with the added responsibility of promptly raising the question at issue in the Federal Assembly for final decision. The President is also the Supreme Commander of the armed forces.
- 38. The Federal Executive Council is a collective political-executive organ of the Federal Assembly. Its tasks and duties are determined by the Federal Constitution and Federal Laws. Its basic task is political leadership and supervision of the Federal administration, the safeguarding and development of the unity of the political and economic system according to the Constitution and federal laws. The Federal Executive Council implements Federal laws, the Federal Economic Plan and the Federal Budget; proposes all necessary measures in this respect to the Federal Assembly; outlines the policy of the Federation on different fields; proclaims national emergencies and the mobilization of armed forces; supervises the Federal funds; and supervises the implementation of the Federal Constitution concerning the rights and duties of the republics, districts and municipalities, as well as the rights and duties of self-governing bodies in

-233-

the economy, health, education, etc. It also supervises the work of the Federal administrative bodies, appoints and dismisses State secretaries and other high functionaries and vetoes the unlawful acts of Federal administrative bodies.

- 39. The Council adopts rules, regulations, directives, decisions, lines of conduct and explanations on all matters within its competence. Its members are selected by the Federal Assembly from among the deputies of the Federal House. The Federal Assembly may demand a report on the work of the Federal Executive Council at any time; it may also nullify or instruct the Federal Executive Council to nullify or modify any of its decisions if they are incompatible with the Constitution and law. There is a permanent working contact between the Federal Executive Council and the Federal Assembly.
- 40. The structure of the governing bodies in the republics is similar to that in the Federation. Each republic has its own Constitution and its own Assembly, consisting of a House of the Republic and a House of Producers. It has also its Executive Council with the corresponding administration. As far as the organs of administration are concerned, the most important difference is the existence of republic councils for education, culture, health and social welfare. These are collective bodies with administrative-executive functions operating in those spheres in which the competences of the Federation have been substantially reduced in the process of building up the system of self-governing units from the bottom. The republic councils are composed of members appointed by the respective Executive Council and of members proposed by the corresponding institutions, such as schools and hospitals, and approved by the Executive Council. The president of the Council is a member of the Executive Council.

The municipality (opstina)

- 41. The municipality in Yugoslavia is a basic social-economic unit of citizens linked together by common interests both as producers of goods and services and as consumers. The municipality, therefore, is not only a territorial self-governing unit in the general system of government. It is a social community of citizens based on the principle of self-government in all spheres of life and activities, in local government, in the economy, education, health, etc. The municipality is not, however, a closed, self-sufficient organization. It represents an integral part of the whole social organism of Yugoslavia, bound by numerous economic, social and political links with the entire community.
- 42. An important factor ensuring the unity of the municipality lies in the fact that essentially it is a community of producers and as such it determines the general conditions and the economic basis for all social and public activities within itself. The economic plan of the municipality provides, among other things, the resources and means for economic activity and for all public and social services in the municipality.

The municipal assembly

- 43. The competences of the municipal assemblies, as determined by law, are the following:
 - (1) adoption of all municipal laws and local regulations and statutes of the municipality;

- (2) preparation and adoption of the programme of development of the municipality;
- (3) adoption of the budget and determination of local taxes and other forms of income;
- (4) selection and dismissal of the president of the Municipal Assembly and of municipal judges, inspectors and senior civil servants;
- (5) setting up of new factories and other economic enterprises and the founding of other institutions;
- (6) extending of loans and of guarantees for bank loans to enterprises and other institutions;

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- (7) participation in selecting directors of economic enterprises and other institutions;
- (8) supervision of and aid in the activities of all its subordinate bodies, councils, etc.
- 44. The municipal assemblies, like all elected representative bodies from the municipality to the Federation, consist of two chambers the Municipal House and the House of Producers. The division of competences between the two chambers is the same as in the higher assemblies. The Municipal House protests against unlawful acts of higher government bodies which violate the self-governing rights of the municipalities and nullifies the unlawful acts of its President and its various councils. It also places certain problems before the electorate through a referendum and exmaines proposals made by the meetings of voters. The competences of the House of Producers includes assessing the business of economic organizations on the basis of annual financial reports; appointing commissions to approve rules and regulations on labour relations in enterprises and demanding changes in rules and regulations which do not conform to the law; and discussing economic problems and making recommendations to enterprises according to law.
- 45. The executive bodies, or councils, of the Municipal Assembly handle such problems as the economic plan, finances, economic activity, public safety, labour relations, education and health. The councils are made up of counsellors selected by the Municipal Assembly; citizens with specific qualifications are also named by the Municipal Assembly. The councils concern themselves with implementing municipal laws and ordinances; studying the problems in their respective spheres and making proposals to the Municipal Assembly; supervising the work of administrative bodies; examining and discussing problems of general interest for the various organizations in their respective spheres; and making recommendations to the Municipal Assembly to take necessary measures.
- 46. The direct implementation of municipal laws, regulations and other decisions of the Assembly is carried out by the various administrative organs, or departments, of the Assembly.

-235- /••

Other local bodies

- 47. Voters' meetings constitute one of the forms of direct decision making by the people in the local community. The meetings are held in local election units, which may be a small village, a town ward or several city blocks. The meetings of voters:
 - (1) examine and control the work of the Municipal Assembly and other public bodies. This is done in the form of reports to the meeting, discussions, criticism and concrete proposals and recommendations;
 - (2) propose initiatives for the solution of specific problems in their locality;
 - (3) participate in making nominations of candidates for election to the Municipal Assembly and of deputies to the assembly of the republic and the Federal Assembly. They may also initiate the recall of all elected functionaries with whose work they are not satisfied.
- 48. The Municipal Assembly is obliged to examine and act upon the proposals, recommendations and conclusions of the voters' meetings and to inform the subsequent meeting of its decisions.
- 49. Housing communities are associations of citizens in towns and cities. They are organized according to town wards, sections or several city blocks. The housing community discusses and decides on questions, needs and problems of day-to-day life and aid to the household of the given local community. This is achieved through the organization of a network of services by the housing community, such as repairs, laundry service and community cooking, for buildings, households and individuals. They also set up kindergartens for pre-school children and playgrounds, concern themselves with shops and restaurants in the locality and extend advice to house committees, etc.
- 50. The housing community is managed by the citizens living on its territory directly through meetings of all residents or through a council elected by the residents every two years, one half of the Council members being elected each year. The housing community council elects its own executive board, an auditing committee and a local conciliation committee to help settle conflicts among citizens. The decisions of the bodies elected by the housing community are implemented by a secretariat headed by a secretary elected by the executive board.
- 51. The income of the housing community is derived from contributions of the citizens, income from its various services and subsidies from the municipality and the district, as well as contributions from factories and eventually a small percentage of all the rents.
- 52. Local committees, formed in the rural areas, embrace one or more small villages which constitute a related whole. Their tasks and activities are similar to the activities of the housing communities in urban areas.



- 53. Workers' councils are self-governing bodies charged with managing factories and other economic enterprises. Workers' councils determine the basic policies of enterprises and the system of income distribution and utilization of the resources of enterprises. Economic enterprises are autonomous bodies subject only to the general provisions of the social plan. After the expenses for raw materials and overhead are subtracted from the total income of the enterprise and after the federal and local taxes are paid, the remaining sum is at the disposal of the enterprise to be divided between the individual income of the workers and the several funds for the development and production of the enterprise. The method of this distribution, as well as the determination of the amount and distribution of individual income among the employees on the basis of work performed, is carried out on the basis of regulations and rules adopted by the Workers' council of each enterprise. Of course, the Federal law has provided the minimum to be given for funds for the development and production of the enterprise, regulating the division of the remaining income by the rate of additional taxation of personal income.
 - 54. At the present time, a process of further decentralization of the system of income distribution within enterprises is taking place. This involves the formation, within the enterprise, of autonomous units, so-called "economic units", which embrace, as a rule, a definite phase in the technological process of production, providing a basis for representation of workers and enabling the workers to measure the results of their work. In these units the workers determine the production policy as well as the income distribution within the unit itself. The Workers' council of the entire enterprise continues with the general management of the enterprise as a whole, co-ordinating the work of all sectors, departments and economic units and outlining the basic principles and methods of income distribution. The essence of economic units is to determine the smallest economic unit in which the work can be measured on the basis of a technological process in order to enable all members of the working collective to participate directly in decisions on distribution of income on the basis of the work.
 - 55. The entire working staff of an enterprise elects the Workers' council by secret ballot. Candidates are put forward either by the trade union branch or by groups of workers representing at least 10 per cent of the working force in factories with up to 500 employees. In larger plants the group that nominates candidates cannot be less than the total number of members of the Workers' council. In enterprises with 30 or less employees, the entire working staff acts as the Workers' council.
 - 56. The Workers' council elects its Management Board, which acts as an executive body between meetings of the council and handles current problems of management. The director of the enterprise and the engineering staff implement the decisions of the Workers' council in corresponding spheres of competence. The director of an enterprise is elected from among applicants by a mixed commission, half of whose members are appointed by the Workers' council and the other half by the Municipal Assembly.
 - 57. Self-governing bodies in public services are the health and medical institutions and the scientific, cultural and similar organizations which have their own collective bodies of self-government (councils, committees). In line with their lawful rights, they adopt decisions on all basic matters concerning

-237-

the functions and work of the respective services and the organizations which perform them. The day-to-day work of these institutions and organizations, namely, the concrete implementation of the lines of policy and directives adopted by the councils, is performed by the technical and working staff of the corresponding organizations. The councils and committees which manage these spheres of public services are composed of representatives of the working staff of the given institution, representatives of membership organizations directly interested in these services and representatives of citizens utilizing the given services, as well as representatives of the community who are named by the Assembly to councils functioning at local levels and by the Republic and Federal Assemblies for corresponding higher level councils.

- 58. Political, trade union and other membership organizations play a specific and significant role in the system of self-government in the municipality, first of all, in educating the working people in regard to their rights and duties arising from the system of self-government in the socialist community, and in undertaking political, organizational and other measures of aid, clarification and consultation in order to contribute to the unity of the country and develop the sense and use of mutual help and respect of others' rights. This is especially true of the political organization called the Socialist Alliance of the Working People of Yugoslavia. This nation-wide organization is the medium through which citizens may make proposals and recommendations on all matters of interest; at the same time, the Socialist Alliance is a centre in which all citizens may express their views and carry on discussions on questions that concern the interests and positions of the working people in the community. Every citizen, regardless of his philosophic or religious orientation and his national or social origin, is eligible to become a member of the Socialist Alliance.
- 59. The organizational structure of the Socialist Alliance is based on the local membership organization formed on the territory of the housing community in towns and cities and on the village scale in the countryside. The local membership organization sets up sections to deal with the most important problems of the community, such as economic policy, social policy and international policy.
- 60. The League of Communists of Yugoslavia functions primarily with the aim of promoting and developing the socialist awareness of the people and of assuring ideological and political orientation of the socialist development in the country.
- 61. Other organizations, such as the trade unions and professional, cultural, sports and similar organizations, also participate in the life of the municipality, each contributing its share and supplying the forms through which virtually all citizens participate in community life of each given area.
- 62. Each municipality adopts its own statutes. These determine the economic and social-political relations within the municipality, the rights and duties of citizens, the rights and duties of self-governing organizations, the organizational forms and methods of functioning of the entire mechanism of the municipality and the ways and means of ensuring the exercise of the rights and duties of citizens.



Economic basis of the municipality

- 63. The numerous activities and services of the commune are financed from income derived from the economic and other activities carried on in its territory. Special funds are created for financing such undertakings as new economic enterprises, housing, roads and education. 1/ The sources of the budget are the local personal income tax, taxes from economic organizations, property taxes, stamp taxes, etc.
- 64. In 1960 the municipalities had at their disposal about 60 per cent of all available resources, while the republics and the Federation had at their disposal about 40 per cent for financing their functions.
- 65. A considerable number of the municipalities, with poorly developed economies, do not have adequate resources at their disposal to finance the necessary public services and to carry out their other tasks. These less-developed municipalities receive subsidies from the districts and, in some cases, from the republics. The aid they receive consists of general subsidies and of subsidies for specific purposes, e.g. for specific public services or concrete projects of economic development.

-239- /...

^{1/(1)} The capital investment funds of the municipality are formed from the following sources: contributions from all economic enterprises, interest on sums received from the fund and part of the taxes on agricultural income; (2) the school fund: special contributions from economic enterprises and institutions, part of the general income of the municipality, part of the supplementary personal income tax and part of the municipal share of taxes of the republic and subsidies from the municipality budget; (3) the housing fund: contributions for this purpose from all economic enterprises and all institutions, amortization from socially owned buildings in the municipality, tax on income from all buildings, percentage of rent paid by stores and business organizations, interest on loans and investments made in new housing, bank interest on housing from moneys on deposit and subsidies from the municipal budget; (4) road fund: percentage of taxes on motor and horse-drawn vehicles, percentage of turn-over tax on transport over the roads, income from mown hay along roadways, income from fruit and trees along roadways and percentage of traffic violation fines.

APPENDIX A. PLANNING PROCESS IN YUGOSLAVIA

- l. In the first period of post-war development, Yugoslavia had a centralized planning organization. Lower bodies, as well as economic enterprises, had a rather small role, because all the more important items were quantitatively foreseen by the central plan.
- 2. With decentralization of decisions, the process of planning got progressively decentralized as well. Discussions concerning methodology of planning are still going on, especially since the introduction of the distribution of income in the factories by the Workers' Councils themselves, on the basis of work instead of in the traditional form of salaries, which were earlier regulated by the State administration.
- 3. At present, the situation concerning planning is, roughly speaking, as follows:
 - (a) Planning takes place on all levels: in the enterprise, in the municipality, in the district, in the republic and in the Federation. Special planning boards are responsible for the preparation of the plan on all these levels, and there is a planning department in every enterprise. In addition, there are planning organs run by associations and economic chambers, with which the enterprises are associated on the basis of different branches of industry (agriculture, commerce, etc.) as auxiliary institutions of a consultative character.
 - (b) The lower the organ of planning, the more it is concerned with the details of physical targets. In productive enterprises the production and distribution of concrete goods are planned, including prices and the required amount of capital investments, manpower, raw materials, etc. On the municipality level, the planning is more orientated toward showing what goals will be reached in the territory of the municipality, taking into account both the concrete plans of the enterprises and branches and the general orientation that has been given by planning on higher levels.
 - (c) The planned and co-ordinated effort of all municipalities in a given territory is among the most important aims of the district plan, if there is one. On the republic level, there are at least two further problems of planning:
 - (i) aid to the less developed municipalities within the territory of the republic;
 - (ii) the effort to implement in an optimal way, within the territory of the republic, the aims of the federal plan.
 - (d) The federal plan is concerned, first of all, with the financial aspects of planning, having in mind a general distribution of the national income (i) for development of the national resources and productive capacities of the country and (ii) for the production of consumer goods. Secondly, the federal plan foresees methods and measures to be adopted by the plan (which has the force of law) in order that the plan will be implemented in the most

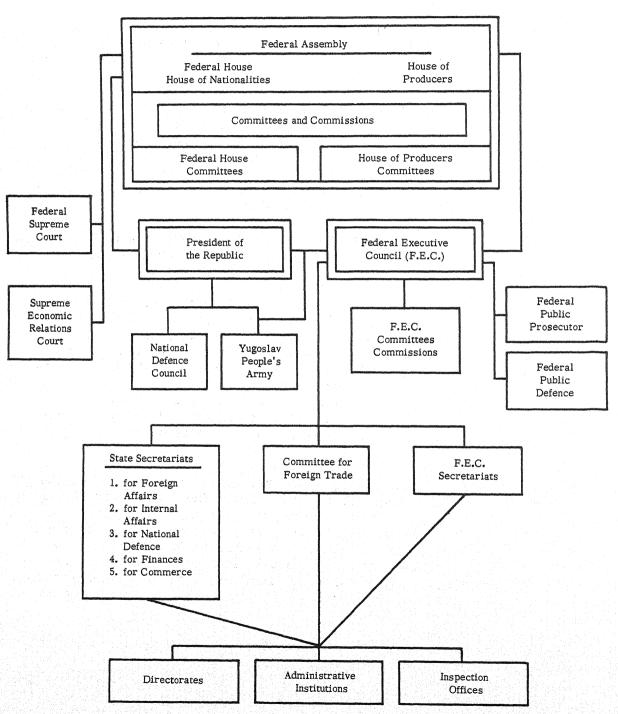




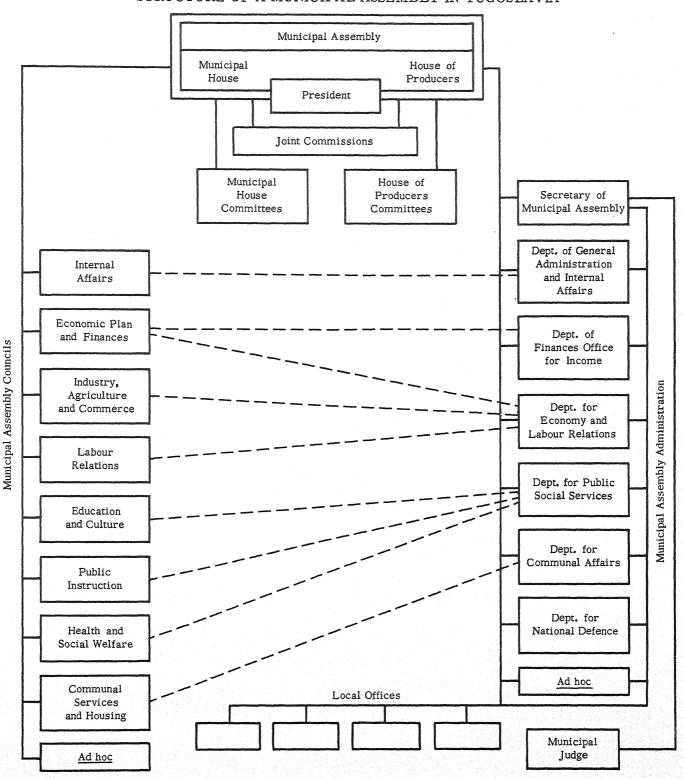
successful way, i.e. to assure a balanced development of all activities, as well as to provide stability to every economic unit and opportunity for substantial and sound initiative to any individual enterprise and to any political-territorial unit. At the same time, the federal plan regulates and, if necessary, applies supplementary measures and sanctions if anyone who manages socially owned means of production overpasses the competences granted to him by law.

- (e) Planning in Yugoslavia is thus a process moving both from the top to the bottom and vice versa.
- 4. The participation of the population in preparing the plan has been extensive. In the factory, the plan is widely discussed at workers' meetings and has to be adopted by all economic units and departments of the factory before becoming valid and compulsory for every member of the enterprise.
- 5. The plan of the municipality is submitted to the population to be discussed by voters' meetings and by local units of political membership organizations and by trade unions. All the initiative and comments from these meetings and deliberations are taken into account in preparing the plan for discussion in the Municipal Assembly and its councils. The meetings of Electors' Assemblies and of political membership organizations devoted to the discussion of the plan usually attract the biggest participation of the population.
- 6. The same procedure of adopting the plan is followed in the District People's Council concerning the plan of the district and in the Republic concerning the plan of the republic.
- 7. The two houses of the Federal Assembly (the Federal House and the House of Producers) discuss the Federal plan in separate sessions. It becomes valid if adopted in the same version by both Houses. In order to assure that the rights of every nation of the Federation are equally respected, the federal plan may also be discussed separately in the House of Nationalities, which is composed of an equal number of representatives from each republic, the representatives being members of the Federal House designated by the republic assemblies. As a matter of fact, the essence of equality among different nations living together in the Federation is based, first of all, on their equal treatment from the economic point of view.
- 8. It has, of course, taken rather a long period of time before the methodology of planning described here could be fully applied. There was first of all the problem of a lack of trained people to prepare the plan, especially in the factories and communes. The district had therefore to prepare the plan for the municipality because the latter did not have the staff to elaborate its own plan. Then there was a general trend, followed by the municipalities and also on other levels, to undertake new investments regardless of whether or not the corresponding means were available, neglecting sometimes the tasks involved in raising general levels of living.
- 9. Parallel with decentralization in the field of planning, corresponding methods of financial and other controls have been elaborated.

STRUCTURE OF FEDERAL GOVERNMENT IN YUGOSLAVIA



STRUCTURE OF A MUNICIPAL ASSEMBLY IN YUGOSLAVIA



ANNEX IV

LIST OF PARTICIPANTS IN THE WORKING GROUP ON ADMINISTRATIVE ASPECTS OF DECENTRALIZATION FOR NATIONAL DEVELOPMENT

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